

CITY OF SHELLEY/CITY OF AMMON  
BINGHAM COUNTY/BONNEVILLE COUNTY  
EIRWWA  
WORK MEETING  
MINUTES

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FEBRUARY 22, 2019

PRESENT: Mayor Stacy Pascoe, Mayor Sean Coletti Commissioner Roger Christensen, Commissioner Dave Radford, Commissioner Buzz Reed

Council Members: Earl Beattie, Jeff Kelley, Adam French, Brian Powell  
Bingham County Attorney: Chase Hendricks

Public Works : Ray Ellis, Tracy Bono

City Hall: Sandy Gaydusek, Jennifer Belfield, Micah Austin, Raquel

Sanders

ICIPDA: Ted Hendricks

Forsgren: Dave Noel

JUB: Alan Giesbrecht

This work meeting was opened at 1:00 p.m.

Jeff Kelley gave some welcoming remarks, and then Sean Coletti also gave some welcoming remarks and outlined the agenda for today.

- Report from Alan Giesbrecht on the upcoming issues and needs for EIRWWA
- Report from Sandy and Jennifer on the ability to finance those needs
- Discuss the formation of a District
- Additional questions.

Alan Giesbrecht presented the Existing Capacity System Planning Study from 2014. He said there are three issues; capacity, condition of membranes and phosphorus treatment. He discussed the capacity when the study was done and the capacity at the present. Brian Powell asked if this information is based on peak flow, average flow, etc. Alan said he is looking at maximum flow coming through, but it is not always the same. He said when there are heavy loads it can wear out the components a lot quicker. Alan summarized the remaining capacity. He said based on 1.7 mgd flow there is 255 gpd being used. He said originally 320 gpd was used but as people change their fixtures for more efficient ones this will lower the flow being used. He said once the new membrane project is done we should be able to pick up additional capacity. Alan said based on his figures there are 1176 ERU's of remaining capacity left based on 255 gpd flows. There are actually 1133 ERU's left if the committed ERU's are used. Alan said there is about 4.6 years left before all of the ERU's used to 100% capacity based on project growth. The following is the approximate ERU's that everyone has used: Ammon – 5280, Shelley – 1897, Northern Interceptor – 300, Country Club – 160, and Lazy 8 Subdivision – 25 to 50. Alan said he would have to update these figures in the study. Alan discussed the pictures that Scott had produced on the condition of the membranes on one of the trains when he was doing annual maintenance. Alan said we should replace those membranes as soon as we can, as these membranes have been in for about nine years. Alan said the typical life span of the membranes is seven to ten years. Dave Noel said when the membranes were

bid during the initial project, there was a graduating warranty and when seven years was reached it reduced drastically. Alan discussed some proposed phasing of his recommended improvements. He said the projects that need to be done now to within the next five years are the membrane replacement, biological treatment, outfall, phosphorus compliance which needs to be completed by November of 2021, the headworks, and the Riverbend lift station. He said we are also looking at a recharge/reuse project that was not included in the phasing plan he presented. Alan said the membrane replacement is needed as soon as possible. Alan said EIRWWA has about 3 million dollars in reserves, and the membranes will be about 1.6 million to replace, but there are additional items that need to be done that could increase the project up to 2 or 3 million. Commissioner Christensen discussed the funds that come from the patrons of Exit 113. He said the monthly rate includes the bond and connection fees. He said some of the extra will be used for membrane replacement. Commissioner Christensen asked how funds are being set aside for improvements from the entities. Alan said 1.3 million is needed for phosphorus treatment and about 2.5 million for membrane replacement which is a total of 3.8 million. He said EIRWWA has 3.3 million in their budget. Mayor Coletti said there are 200 homes coming up in Ammon and \$660,000 could be added to the pot fairly quickly. Jennifer said \$456,000 was just paid to EIRWWA for connection fees which don't show in the current financials. Commissioner Christensen discussed the policy for the "will serve" letters and said EIRWWA has to approve all developments over 10 ERU's coming into the system. He said all growth is based on a first come first serve basis. Councilman Powell said there should be 3.8 million coming into the reserves. Commissioner Christensen said if EIRWWA's reserve is used for the projects, it will take all of the monies and they would not have any left for emergencies. Sandy said the City of Shelley has a Bond Payment Reserve Fund, a Bond Guarantee Fund, and a Capital Improvement Fund. She said \$23.78 per ERU goes into the Bond Payment Fund to pay the bond of \$487,350 annually. The remaining is set aside for capital improvements to the plant. Currently there is \$689,656 in surplus in that fund. She said \$2.38 per ERU goes into the Bond Guarantee Fund which cannot be spent until the bond is paid off. Currently there is \$457,219 in that fund. Sandy said the Capital Improvement Fund is within the City's Sewer Fund and there is approximately \$1.5 million in that fund that the City could spend on improvements within the city or at the plant. Jennifer said Ammon used their own reserves of \$1,068,000 for their Bond Guarantee Fund. She said they have Capacity Replacement Reserves of their own of \$700,000 that is derived from connection fees. The Public Works Building Reserve Fund has \$25,000 and there is \$4 million in the Wastewater Fund. Jennifer said the Capacity Replacement Fund can be used for improvements at the plant or their own collection system. She said there was \$231,000 last year. Jennifer said she will get more of a breakdown for the \$4 million in the Wastewater Fund. (Post meeting note: Jennifer said \$890,944 is the total of the surplus left after breaking out the bond payment for the utility fees) Mayor Coletti's said both project should be able to be accomplished with all of the available funds. Commissioner Christensen discussed the surplus fund each entity has. He said those funds should be put in a capital replacement funds. He asked if Ammon used those funds for their own system. Jennifer said yes, but they have not spent any. Commissioner Christensen said he has a different interpretation of what those surplus funds could be used for. He said if the surplus funds are subject to the terms of the bond it should be spent in the terms defined in the EPA loan. Jennifer said she would like to review this. Commissioner Christensen said we

could ask DEQ for their interpretation. Dave said when this was originally set up it was set up to be used at the treatment facility. Councilman Powell said it is; the new connections are changing the same rate and the money is put in a separate fund. Mayor Pascoe said the projects should be paid by the percentage of ERU's being used by each entity. Councilman Kelley said he is concerned about using all of EIRWWA's reserves. Commissioner Christensen said we need to look at raising the monthly fees as recommended by the engineer. Councilman Powell said Ammon has put in a lot of the reserves. Commissioner Christensen said Ammon is using the largest share of the capacity. Councilman Kelley said we are putting together a rapid infiltration system. He said we may have to acquire land around the plant which will cost about \$700,000 and we need to have funds available for that. Jeff said moving towards a District may include have IBSD join EIRWWA. He said we may have some big events going on that may need funding. He said we need to look at the monthly fees in the future. The Board decided that 2 million dollars will be left in the EIRWWA's reserve and whatever is not funded with the reserves from EIRWWA then the balance will be paid by the entities for the 3.8 million dollar project. The cash will be needed in approximately 2020. If the growth comes in as projected then the entities may not have to commit any from their reserves.

Scott Hall discussed District Formation. He said the easiest way for EIRWWA to become a District is to join the IBSD District. He said it is a twelve to fourteen month process for EIRWWA to create its own District. Scott said one challenge will be getting the property owners with more than five acres into the District since they cannot be forced. We should know within six months if IBSD is going to join EIRWWA. IBSD's District patrons would have to vote to expand their District. Jeff discussed the property that EIRWWA may need to purchase; he said we may have to send a letter to Bingham County to begin eminent domain if we cannot make a deal with the owner. Most of the attendees at this meeting felt we should become a District.

Kevin Harris said he works with IBSD and once the York Interceptor is installed IBSD will not be limited and can expand their boundaries. Councilman Kelley said there is a perception from IBSD that EIRWWA has items that need to be addressed. Kevin said Idaho Falls maintains the IBSD line, and he doesn't know if IBSD wants to take over that responsibility. Also, the patrons pay \$29 per month now, and it would go to \$45.

Mayor Coletti said he would like to schedule another work meeting with all of the entity Boards again in June.

Mayor Pascoe said we need to discuss the million dollars that JUB's study shows Ammon paid that they shouldn't have. He felt this issue should be solved or kicked down the road. Mayor Pascoe said either this is declared not legitimate or we can go back and have an accounting of the ERU's, money spent, etc. Commissioner Christensen said there were portions that were spent on the bond, and there were so much of local funds that were to be used. He said Ammon did not want to use local funds and bonded for part of that. He said now taking a snap shot eight years later makes it very complicated. Councilman Kelley said there was work done in kind by both entities, and also money paid by both entities. He said the main goal is trying to provide affordable sewer at the most effective costs. Councilman Kelley said if we go back and expend this time and

energy, how are we providing that? Mayor Coletti said we need to look at where we need to be and how we get there. Councilman Kelley said we are all in the boat together and need to move forward and provide this service the best we can. Mayor Coletti said we need to focus on future items. Council Powell said he doesn't think anyone said Shelley owed the money to Ammon, but seen this on the study and wondered what does that mean; was it paid for ERI's or what? Councilman Kelley said a weighted average was used in the study. Alan said yes, it was weighted to focus on just Ammon and Shelley; they took out Melaleuca. The Board agreed that we need to move on and this is no longer an issue.

Mayor Coletti suggested having the next meeting on May 16, 2019 at 10:00 a.m. after the EIRWWA meeting.

Adjourned: 3:15 p.m.

APPROVE:  ATTEST: 