

**BOARD MEETING
DECEMBER 16, 2015
9:00 A.M.
MT. OLYMPUS IMPROVEMENT DISTRICT
3932 SOUTH 500 EAST**

SUMMARY

- 1. MINUTES OF BOARD MEETING AND PUBLIC HEARING –NOVEMBER 18, 2015**
- 2. MT. OLYMPUS PAYABLES**
- 3. CENTRAL VALLEY PAYABLE**
- 4. FINANCIAL REPORT**
- 5. CENTRAL VALLEY REPORT – JOHN NORTON**
- 6. APPOINTMENT OF BOARD CHAIRMAN FOR THE YEAR 2016**
- 7. APPOINTMENT OF DISTRICT REPRESENTATIVE AND ALTERNATE TO THE CENTRAL VALLEY BOARD FOR THE YEAR 2016**
- 8. APPROVAL OF BOARD MEETING DATES FOR THE YEAR 2016**
- 9. 10:00 A.M. PRESTON GUSTOFSON - ACCOUNT #18.0159 - REQUEST FOR CONSIDERATION OF OVERPAYMENT**
- 10. APPROVAL OF THE YEAR 2016 BUDGET**
- 11. ANNUAL REVIEW OF PERSONNEL POLICIES**
- 12. MANAGER’S REPORT**
 - A. PERSONNEL REVIEW**
 - B. OPERATIONS REPORT**
 - 1. REVIEW OF 2015 CAPITAL BUDGET AND PURCHASES**
 - 2. REVIEW OF ARAMARK NOTICE OF VIOLATION AND FINE**
 - C. 2016 HOLIDAYS**
 - D. 2016 CONFERENCES**
- 13. INFORMATION ITEMS (NO ACTION REQUIRED)**
 - A. CENTRAL VALLEY FLOW & LOAD REPORT**
 - B. UTAH PUBLIC TREASURER’S POOL YIELD**
 - C. REVIEW OF CHRISTMAS PARTY**
- 14. POSSIBLE CLOSED SESSION TO DISCUSS PERSONNEL ISSUES**

PRESENT: MEL MACKAY, CHAIRMAN OF THE BOARD
JOHN NORTON, TRUSTEE
AMI NEFF, TRUSTEE
KERRY EPPICH, GENERAL MANAGER
STEPHEN ROWHER, CONTROLLER
TAMMY GONZALES, EXECUTIVE SECRETARY/DISTRICT CLERK

PRESIDING: CHAIR, MEL MACKAY

1. MINUTES OF BOARD MEETING AND PUBLIC HEARING – NOVEMBER 18, 2015

Motion to approve the November 18, 2015 Board Meeting and Public Hearing minutes, as written, was made by Trustee John Norton and seconded by Trustee Ami Neff. The motion was approved by unanimous vote, those voting in favor: John Norton, Ami Neff, and Mel Mackay.

2. MT. OLYMPUS PAYABLES

After review and discussion, motion to approve the Mt. Olympus Payables was made by Trustee John Norton and seconded by Trustee Ami Neff. The motion was approved by unanimous vote, those voting in favor: John Norton, Ami Neff, and Mel Mackay.

3. CENTRAL VALLEY PAYABLE

After review and discussion, motion to approve the Central Valley Payable was made by Trustee John Norton and seconded by Trustee Ami Neff. The motion was approved by unanimous vote, those voting in favor: John Norton, Ami Neff, and Mel Mackay.

4. FINANCIAL REPORT

After review and discussion the Financial Report was accepted for filing by Board Members.

5. CENTRAL VALLEY REPORT – JOHN NORTON

Trustee Norton reported that at the last Central Valley board meeting, the following was discussed:

- ***Capital Projections*** – Provided was a schedule of Central Valley's projected improvements, with and without "Nutrient Removal". Phil Heck gave an update on the Asset Management Study including the five year plan that was included in the Budget Packet. There is approximately \$5.5 million in capital projects for the next year. Over the next five years there is about \$50 million in capital projects. They are still working on the 20 year plan, but anticipate approximately \$150 million for capital projects. The average is approximately \$7.5 million per year.
- ***Peer Review*** – DEQ sent a letter to Central Valley stating that their rule making processes has adequate oversight. There are currently three states that have a peer review process, but they are non-binding: New Jersey, California and Minnesota. Minnesota recently enacted a peer review process for monitoring the science of permitting regulations. If legislation is enacted that requires peer review process for our regulators, we will be the first in the country to do so. Trustee Norton stated he feels the DEQ is missing a holistic view of the situation and not really looking at protecting the environment as a whole.

5. **CENTRAL VALLEY REPORT – JOHN NORTON (CONTINUED)**

- ***Ferric Chloride Issue*** – Due to issues with hydrogen sulfide (H₂S) in the lines, Central Valley added ferric chloride at the Granger-Hunter pump station to help with the H₂S gas. A study was done to determine whether ferric chloride fed upstream would benefit Central Valley's pipes and plant. They added ferric at 5 gallons per hour into the flow for ten days. The ferric chloride prevented the H₂S from volatilizing into the air. Dr. Heck believes with the right amount of ferric dosage we can get the H₂S close to zero. They have budgeted for the next year to fund the design and construction of a ferric feed system into the Granger-Hunter pump station. This project will cost approximately \$85,000 a year and will help save on damaged infrastructure.

Ron Roberts and Kevin Gallagher are reviewing the information from RedZone and are developing and outlining the interceptor lines and priority for rehabilitation. Trevor Lindley explained that they have been working on the CIP list and the nutrient study. There are \$26 million worth of items identified on the CIP list over the next 20 years that are at risk of being stranded if we go into nutrient removal. We will not rehabilitate these items until we know for sure that we do not need to construct nutrient removal facilities.

On November 2, 2015 Central Valley installed a new step down transformer. It's the main transformer for primary power to the plant. Dr. Heck stated that they were off the Rocky Mountain Power grid for 15 hours and ran solely on the co-gen engines. There are some issues with the cooling system for the engines. They are working with Brown and Caldwell on designing a new co-gen system at a cost of \$750,000. A little over \$9 million is budgeted in 2017-2018 to replace the engines.

Once Central Valley hires a financial consultant, they would like to have a retreat in late February or early March of 2016. They would like to use this retreat to come up with a business plan for Central Valley going forward.

6. **APPOINTMENT OF BOARD CHAIRMAN FOR THE YEAR 2016**

After review and discussion, motion to keep Trustee Mel Mackay as Board Chair for the year 2016 was made by Trustee John Norton and seconded by Trustee Ami Neff. The motion was approved by unanimous vote, those voting in favor: John Norton, Ami Neff, and Mel Mackay.

7. **APPOINTMENT OF DISTRICT REPRESENTATIVE AND ALTERNATE TO CENTRAL VALLEY BOARD FOR THE YEAR 2016**

After review and discussion, motion to keep Trustee John Norton as the District's representative and General Manager Kerry S. Eppich as the District's alternate to the Central Valley Board for the year 2016 was made by Trustee Ami Neff and seconded by Trustee Mel Mackay. The motion was approved by unanimous vote, those voting in favor: Mel Mackay, Ami Neff, and John Norton. The necessary letter will be prepared and mailed to Tom Holmstrom, General Manager of Central Valley.

8. APPROVAL OF BOARD MEETING DATES FOR THE YEAR 2016

A schedule of the tentative board meeting dates was reviewed by the Board. With a few exceptions the board meetings are scheduled to be held on the third Wednesday of each month at 9:00 a.m.

After review and discussion, motion to approve the Board Meeting dates for the year 2016 as amended was made by Trustee John Norton and seconded by Trustee Ami Neff. The motion was approved by unanimous vote, those voting in favor: John Norton, Ami Neff, and Mel Mackay. The schedule will be published in the paper as per State law.

9. 10:00 A.M. PRESTON GUSTOFSON - ACCOUNT #18.0159 - REQUEST FOR CONSIDERATION OF OVERPAYMENT

At 10:00 a.m. Preston Gustofson was welcomed into the meeting.

Manager Eppich gave a Board a little history of Mr. Gustofson's account. Mr. Gustofson is requesting some consideration because he had been paying for three REs for 30 years. Mr. Gustofson stated when they bought the home in 1972 they had turned the apartments into a single family dwelling. Approximately three years ago Mr. Gustofson contacted us regarding his account and we then went and did an inspection of the property and reduced the billing to one RE. Mr. Gustofson stated he did not realize he was paying for three REs all these years.

Trustee Mackay stated that looking at his account it looks like Mr. Gustofson has been certified every year, meaning that he has never paid his bill but through County taxes, therefore costing the District money to process his account. In 1992 our records also indicate that we mailed a home apartment agreement to Mr. Gustofson but we never received the signed document. Trustee Norton asked Mr. Gustofson if he ever read his bill and noticed he was being charged for the three REs. Mr. Gustofson stated he didn't pay much attention to his bill. The District has policies on when a property changes or is remodeled it can be re-rated. Mr. Gustofson failed to follow the District's procedures and sign and return the home apartment agreement. Three years ago when the District was notified and the information verified, the billing was reduced. Trustee Mackay stated the Board will take this under advisement and will notify Mr. Gustofson by letter.

After sympathetic review and discussion, motion to send Mr. Gustofson a letter stating that per District's rules and regulations the Board respectfully denied his request for a refund was made by Trustee John Norton and seconded by Trustee Ami Neff. The motion was approved by unanimous vote, those voting in favor: John Norton, Ami Neff, and Mel Mackay.

10. APPROVAL OF THE YEAR 2016 BUDGET

Controller Rohwer stated there were no changes to the budget since the last board meeting and asked if the Board had any questions regarding the budget.

After review and discussion, motion to approve the 2016 budget as presented was made by Trustee John Norton and seconded by Trustee Ami Neff. The motion was approved by unanimous vote, those voting in favor: John Norton, Ami Neff, and Mel Mackay.

11. ANNUAL REVIEW OF PERSONNEL POLICIES

Manager Eppich stated that per State law an annual review of the personnel policies has been done. We are required to report to the Board that the policies have been reviewed and there are no changes being recommended at this time. Manager Eppich stated there are a couple of items that will be reviewed in more detail in the coming months.

12. MANAGER'S REPORT

A. PERSONNEL REVIEW

Manager Eppich reported that the following employee will have an anniversary in the next month:

- Neal Stoddard whose anniversary is on January 9th. He has been with the District 4 years and is doing a great job.

B. OPERATIONS REPORT

1. REVIEW OF 2015 CAPITAL BUDGET AND PURCHASES

Controller Rohwer, stated that it was projected to use \$725,000 of reserves this year, but we only used \$52,000. Part of this had to do with receiving a large amount of capacity fees from Daily Foods, we did not hire a new person for the lines crew, and the 2015 election was cancelled, which was a savings of \$70,000. Of the 2015 Capital budget, approximately \$9,500 was not spent.

2. REVIEW OF ARAMARK NOTICE OF VIOLATION AND FINE

The Board was provided copies of information relating to the Aramark violation. Manager Eppich then discussed in detail the status of that violation. Aramark did not meet their pretreatment limits in the pretreatment program and so received a \$7,500 fine which has been paid.

C. 2016 HOLIDAYS

The Board was provided a copy of the 2016 Holiday list for their review.

After review and discussion, motion to approve the 2016 Holiday list as presented was made by Trustee John Norton and seconded by Trustee Ami Neff. The motion was approved by unanimous vote, those voting in favor: John Norton, Ami Neff, and Mel Mackay.

D. 2016 CONFERENCES

A copy of the 2016 Conference schedule was provided to the Board for their review.

13. INFORMATION ITEMS (NO ACTION REQUIRED)

Controller Rohwer discussed some of the benchmarking charts. The first chart was the incoming call volume, showing the number of calls and the duration. Our engineering department created a report showing the number of inspections, Blue Stakes calls, nose ons, and sewer availability letters requested. Next was a chart showing analytics of our website. Manager Eppich stated they are looking into showing numbers regarding capacity fees and also showing how many lines are being cleaned and maintained by the lines maintenance crew.

A. CENTRAL VALLEY FLOW & LOAD REPORT

A copy of the Central Valley Flow & Load Report was provided for Board review. Manager Eppich stated that flows were at approximately 13 MGD which is normal for this time of year.

B. UTAH PUBLIC TREASURER'S POOL YIELD

The Utah Public Treasurer's Pool Yield for November 2015 was up slightly to .682%.

C. REVIEW OF CHRISTMAS PARTY

District Clerk Tammy Gonzales stated the party went well and felt that everyone had a good time. The Board stated they had fun and was happy to see the large attendance of District employees and how everyone was having a good time.

14. POSSIBLE CLOSED SESSION TO DISCUSS PERSONNEL ISSUES

Motion to adjourn the open session and go into a closed session to discuss personnel issues was made by Trustee John Norton and seconded by Trustee Ami Neff. The motion was approved by unanimous vote, those voting in favor: John Norton, Ami Neff, and Mel Mackay.

At 11:12 a.m. Trustee Mel Mackay stated we are back in open session.

After review and discussion, motion to approve a COLA increase, and the use of the District vehicle, for General Manager, Kerry Eppich was made by Trustee John Norton and seconded by Trustee Ami Neff. The motion was approved by unanimous vote, those voting in favor: John Norton, Ami Neff, and Mel Mackay.

With no further information to come before the Board, motion to adjourn was made by Trustee John Norton and seconded by Trustee Ami Neff. The motion was approved by unanimous vote, those voting in favor: Ami Neff, John Norton, and Mel Mackay.

The meeting was adjourned at 11:21 a.m.

Mel Mackay, Chairman of the Board