

**BOARD MEETING
JUNE 23, 2015
9:00 A.M.
MT. OLYMPUS IMPROVEMENT DISTRICT
3932 SOUTH 500 EAST**

SUMMARY

1. **MINUTES OF BOARD MEETING – MAY 20, 2015**
2. **MT. OLYMPUS PAYABLES**
3. **CENTRAL VALLEY PAYABLE**
4. **FINANCIAL REPORT**
5. **CENTRAL VALLEY REPORT – JOHN NORTON**
6. **APPROVAL OF FINAL AUDIT REPORT FOR THE YEARS ENDED 2014 AND 2013 BY HUBER ERICKSON AND BOWMAN, CERTIFIED PUBLIC ACCOUNTANTS**
7. **CONSIDERATION, APPROVAL AND ADOPTION OF 2015 TAX RATE**
8. **CONSIDERATION AND APPROVAL OF AMENDING PROPERTY TAX REVENUES IN THE 2015 BUDGET (ENTERPRISE FUND)**
9. **CONSIDERATION AND APPROVAL OF AMENDING THE 2015 BUDGET**
10. **CONSIDERATION OF CHANGING THE AUGUST BOARD MEETING DATE AND TIME**
11. **UPDATE ON TRUSTEE ELECTION**
12. **CONFIRMATION OF DATES FOR 2016 BUDGET PROCESS, BUDGET HEARING AND BUDGET APPROVAL**
13. **LEGISLATIVE UPDATE**
14. **MANAGER’S REPORT**
 - A. **PERSONNEL REVIEW**
 - B. **OPERATIONS REPORT**
 1. **UPDATE ON ACCOUNT #13.1509 - DAILY'S PREMIUM MEATS**
 2. **RETIREMENT CONTRIBUTION RATE**
 3. **UPDATE ON CAPITAL PROJECTS AND CAPITAL PURCHASES**
 - C. **WEFTEC 2015 ARRANGEMENTS**
15. **INFORMATION ITEMS (NO ACTION REQUIRED)**
 - A. **CENTRAL VALLEY FLOW & LOAD REPORT**
 - B. **UTAH PUBLIC TREASURER’S POOL YIELD**

PRESENT: **MEL MACKAY, BOARD CHAIR
JOHN NORTON, TRUSTEE
AMI NEFF, TRUSTEE**

**KERRY EPPICH, GENERAL MANAGER
TAMMY GONZALES, EXECUTIVE SECRETARY/DISTRICT CLERK
STEPHEN ROHWER, DISTRICT CONTROLLER**

PRESIDING: **CHAIR, MEL MACKAY**

GUEST: **DEAN AYALA, NEW DISTRICT ENGINEER**

1. MINUTES OF BOARD MEETING – MAY 20, 2015

Motion to approve the May 20, 2015 Board Meeting minutes, as written, was made by Trustee Ami Neff and seconded by Trustee John Norton. 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 Ami Neff and seconded by Trustee John Norton. 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 Ami Neff and seconded by Trustee John Norton. The motion was approved by unanimous vote, those voting in favor: John Norton, Ami Neff, and Mel Mackay.

4. FINANCIAL REPORT

The Financial Report was accepted for filing by Board Members.

5. CENTRAL VALLEY REPORT – JOHN NORTON

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

- ***Plant Tour*** – There was a plant tour on May 27, 2015. Trustee Norton stated it was a good tour and it was helpful that Phil Heck discussed some of the issues with the plant during the tour. Central Valley is working with Brown & Caldwell to put an asset management and maintenance plan in place to work on these issues.
- ***Nutrient Removal*** – Brown & Caldwell recommended three different approaches to the nutrient removal process: 1) chemical - which the State evaluated, but may not be the best solution, 2) bio-reduction of nutrients, and 3) an activated sludge process. Brown & Caldwell will now do a process model of each of these approaches with results and preliminary costs to come.
- ***Granger-Hunter Project*** – The Granger-Hunter project is now complete. The cost is expected to be about \$300,000 under budget.
- ***Legislation*** – John Hall, a lawyer working for the Jordan River Farmington Bay Water Quality Coalition, is looking into proposed legislation in Minnesota that could set a precedence throughout the country. If agencies are forced to incur significant costs because of regulatory compliance, it would have to be approved by the Legislature. Central Valley would like to have Fred Finlinson work with John Hall on the same type of legislation in Utah.
- Manager Eppich stated that our land in Fairfield, Utah is rated number one for the relocation of the prison.

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

- *WEAU Awards* – Operators for Central Valley took 1st place at WEAU and will be going to WEFTEC to compete. Also awarded to Central Valley was best lab and the safety department received an award as well.
- Trustee Mackay commented that he spoke with Phil Heck and Phil mentioned how great of a job John Norton was doing as the Central Valley Representative for the District.

6. **APPROVAL OF FINAL AUDIT REPORT FOR THE YEARS ENDED 2014 AND 2013 BY HUBER ERICKSON AND BOWMAN, CERTIFIED PUBLIC ACCOUNTANTS**

Copies of the final 2014 Audit Report were provided to Board Members for their review.

Manager Eppich stated that there were some minor wording changes from the report they received at the last board meeting.

After review and discussion, motion to approve and accept the Audit Report for the years ended 2014 and 2013 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. **CONSIDERATION, APPROVAL AND ADOPTION OF 2015 TAX RATE**

Manager Eppich went over the process of how the certified tax rate is calculated. The certified tax rate is calculated based on last year's budgeted tax revenue less redemption money divided by the property valuations. We are proposing the District set its tax rate to match the certified rate of .000336.

After review and discussion, motion to approve the 2015 Tax Rate of .000336, matching the certified rate, 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.

8. **CONSIDERATION AND APPROVAL OF AMENDING PROPERTY TAX REVENUES IN THE 2015 BUDGET (ENTERPRISE FUND)**

By approving the tax rate of .000336 it will generate tax revenue of \$2,751,978 an increase of \$11,662 over the budgeted amount.

After review and discussion, motion to approve the 2015 tax revenue of \$2,751,978 and amend the budget to reflect the increase 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.

9. CONSIDERATION AND APPROVAL OF AMENDING THE 2015 BUDGET

Due to budget projections and the change to the tax revenue, we are recommending the following changes to the 2015 budget. Controller Rohwer stated that the net effect of the proposed budget changes is zero.

Increase capacity fee revenue by \$279,210 and increase M&O tax revenue by \$11,662 due to the tax change and increase fee-in-lieu based on prior year revenue of \$8,848. Decrease penalty revenue from \$246,424 to \$100,000, a \$146,424 decrease due to SB193. The lines repair and maintenance budget will increase \$7,750, which consists of increasing the training budget \$2,650, vehicle repairs and equipment of \$5,100. Decrease lines insurance by \$1,200 and transferring it to IT insurance. Increase engineering salary and wages from \$307,957 to \$350,552 and engineering benefits from \$171,581 to \$197,202, also increase miscellaneous Engineering budgets for the new engineer by \$6,000. Computer equipment and software for the new engineer will increase the budget by \$4,000. The vehicle asset budget will decrease from \$542,039 to \$522,039, and the capital asset budget will increase from \$20,358,691 to \$20,446,020 for the pump station.

After review and discussion, motion to approve amending the 2015 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: Ami Neff, John Norton and Mel Mackay.

10. CONSIDERATION OF CHANGING THE AUGUST BOARD MEETING DATE AND TIME

After review and discussion, motion to change the August Board Meeting from Wednesday, August 19th to Tuesday August 18th, 2015 at 5:00 p.m. with a Public Hearing at 6:00 p.m. to discuss and possibly implement an administrative fee for certified accounts was made by Trustee Ami Neff and seconded by Trustee John Norton. The motion was approved by unanimous vote, those voting in favor: Ami Neff, John Norton and Mel Mackay.

A discussion was then had on whether or not to raise fees and/or taxes for the 2016 budget. It is being proposed that we wait another year before raising fees and/or taxes.

11. UPDATE ON TRUSTEE ELECTION

The Board was provided a copy of the letter sent to the county showing the "Certified List of Candidates". John Norton was the only candidate to declare his candidacy.

12. CONFIRMATION OF DATES FOR 2016 BUDGET PROCESS, BUDGET HEARING AND BUDGET APPROVAL

A discussion of the dates for the 2016 Budget process was had and the dates that had been previously approved by Board motion were discussed and are as follows. The 2016 Tentative Budget is set for October 21, 2015 at 9:00 a.m. The 2016 Budget Hearing date is set for November 18, 2015, at 10:00 a.m. The date for final Budget Approval is set for December 16, 2015 at 9:00 a.m.

13. LEGISLATIVE UPDATE

Manager Eppich stated that there is one issue that is of concern to the District: The lateral line insurance issue. Manager Eppich then went into a discussion on this issue and how it could affect us.

14. MANAGER'S REPORT

A. PERSONNEL REVIEW

At 10:00 a.m. the Board was introduced to Dean Ayala, the District's new Engineer. There was a friendly greeting and get to know discussion held.

Manager Eppich reported that the following employees will have their anniversary in July:

Steven Muhlfeith's anniversary is on July 14th. He will have been with the District for 18 years.

Trista Etulain's anniversary is on July 7th. She will have been with the District for 4 years.

Both are doing a good job.

B. OPERATIONS REPORT

1. UPDATE ON ACCOUNT #13.1509 - DAILY'S PREMIUM MEATS

Provided to the Board was a copy of a check from Daily's Premium Meats for their first installment of their fees and also a copy of the Agreement for Impact Fees. The Agreement was then discussed in detail.

2. RETIREMENT CONTRIBUTION RATE

The Retirement System Contribution rate for Tier I stayed the same at 18.47 percent. Tier II decreased from 16.72 percent to 16.69 percent. The new rates become effective July 1, 2015.

3. UPDATE ON CAPITAL PROJECTS AND CAPITAL PURCHASES

The new TV van is ready and will be picked-up in Chicago next week. Controller Rohwer stated the only other capital item is the resealing of the parking lot.

C. WEFTEC 2015 ARRANGEMENTS

WEFTEC 2015 arrangements have been made with the exception of flight arrangements for Don which will be done soon.

A discussion was then held on whether to send Dean Ayala, our new engineer to the conference. It was decided that Dean should attend.

15. INFORMATION ITEMS (NO ACTION REQUIRED)

A. CENTRAL VALLEY FLOW & LOAD REPORT

A summarized copy of the Central Valley Flow & Load Report was provided for Board review. Manager Eppich stated that flows for April was 11.87 MGD which is normal and flows for May were 20.99 MGD which was mainly due to heavy rainfall.

B. UTAH PUBLIC TREASURER'S POOL YIELD

The Utah Public Treasurer's Pool Yield for June 2015 is 0.555 percent which is up from 0.548 percent.

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: Mel Mackay, John Norton and Mel Mackay.

The meeting adjourned at 10:55 a.m.

Mel Mackay, Board Chair