

**BOARD MEETING  
NOVEMBER 18, 2015  
9:00 A.M.  
MT. OLYMPUS IMPROVEMENT DISTRICT  
3932 SOUTH 500 EAST**

**SUMMARY**

1. **MINUTES OF BOARD MEETING – OCTOBER 21, 2015**
2. **MT. OLYMPUS PAYABLES**
3. **CENTRAL VALLEY PAYABLE**
4. **FINANCIAL REPORT**
5. **CENTRAL VALLEY REPORT – JOHN NORTON**
6. **UASD REPORT**
7. **DISCUSS POSSIBLE LEGISLATION**
8. **DISCUSSION AND APPROVAL OF WORKERS COMPENSATION INSURANCE RENEWAL**
9. **DISCUSSION OF INTENT TO EXERCISE OPTION TO CALL AND REDEEM OUTSTANDING BONDS**
10. **10:00 A.M. PUBLIC BUDGET HEARING**
  - A. **DISCUSSION AND POSSIBLE AMENDMENT OF THE 2015 BUDGET**
  - B. **TENTATIVE 2016 BUDGET**
11. **MANAGER'S REPORT**
  - A. **PERSONNEL REVIEW**
  - B. **OPERATIONS REPORT**
    1. **UPDATE ON LINING PROJECT**
12. **INFORMATION ITEMS (NO ACTION REQUIRED)**
  - A. **CENTRAL VALLEY FLOW & LOAD REPORT**
  - B. **UTAH PUBLIC TREASURER'S POOL YIELD**
  - C. **ANNUAL GRANITE SCHOOL DISTRICT BILLING FOR SEWER FEES**
  - D. **CHRISTMAS PARTY UPDATE**

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

**PRESIDING:**       **CHAIR, MEL MACKAY**

**BOARD MEETING MINUTES  
NOVEMBER 18, 2015  
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**1. MINUTES OF BOARD MEETING OCTOBER 21, 2015**

Motion to approve the October 21, 2015 Board Meeting 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**

The Financial Report was accepted for filing by Board Members.

**5. CENTRAL VALLEY REPORT – JOHN NORTON**

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

- *Nutrient Removal and Legislative Update* – There were three handouts in the Board Information Packet with information on the Nutrient Removal. The first was an update on the engineering work that Brown and Caldwell is working on. The other two letters were drafted by the Hall brothers, one is dealing with the phosphorus rule and the second is dealing with the ammonia limit. Both letters were sent to the State and we are waiting for a response from them.

Fred Finlinson reported on the meeting before the Utah State Water Development Commission. Leland Myers gave a presentation on the issues related to nutrient removal and the need for peer review. Draft legislation has been submitted and our initial sponsor is Senator Stuart Adams who is the Senate Majority Whip. He asked Senator David Hinkins to be the floor sponsor. We are now waiting for it to come out of Legislative Research and General Counsel. The General Managers would like to have the basics in statute, not in rules. Walt Baker would like the peer review to be advisory while the proposed legislation says that the peer review would be final. One part of the legislation that has been dropped is the financial limit.

The State conducted a synoptic study of the Jordan River to which Theron Miller and his team are responding to. Their Qual 2K model is designed to establish the dissolved oxygen impairment and the underlying causes of it. Dr. Miller is reviewing the data to make sure the Qual 2K model they are using on the Jordan River is done correctly.

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

- ***Asset Management Study*** – Phil Heck gave an update on the Asset Management Study. They have reviewed the five year plan that was included in the Budget Packet. For 2016 they are projecting \$5.5 million in capital projects. There is approximately \$50 million in capital projects over the next five years. They are still working on the 20 year plan, but anticipate it will be approximately \$150 million, which is an average of \$7.5 million per year.

They are waiting for the full report on the interceptor inspection done by RedZone Robotics. The Report focuses on a section of 60-inch pipe between 500 and 700 West between the old Murray and Cottonwood plants. The pipe is about 670 feet long. On a scale of 1 to 5, (with 5 being the worst) the structural defect has a rating of 5. There is \$2 million in next year's budget to slipline the pipe.

Central Valley would like to plan a retreat for the Board Members and Entity Managers to go over the five and twenty year plans.

The new cover on the siphon inlet box at Granger-Hunter is leaking and it is full of hydrogen sulfide. They have WW Clyde working on sealing it up. They have budgeted \$200,000 to put a ferric chloride feed system into one of Granger-Hunter's pump stations.

- ***Budget*** – Sharlene Gruver gave a power point presentation on the 2016 Budget. There will be no COLA increase next year and they are proposing that they use the CPI-U Table 4 Western Region for COLA in the future. There will still be a performance increase of 0-2%. Medical insurance increased by 20%. They are moving to PEHP with a high deductible HSA and traditional plan. Auto and travel has increase 65% due to process and equipment evaluations. Board expenses increased by 62% due to travel to view those processes and equipment evaluations. Professional Fees increased 25% for a financial consultant and legal counsel. Utility expenses decreased 17% due to low national gas prices. Interceptor rehabilitation is budgeted at \$2.2 million, cogeneration and gas management replacement design is budgeted at \$750,000 which includes the design portion of the project. This project is projected to be \$9 million spread over 2017 and 2018.

They plan on replacing the two oldest engines with two 2 MW engines to provide a reliable primary power source. The cooling system will also be replaced.

They did reopen the 2015 budget but they were not changing the amount of money budgeted, they are just relocating where the money will be spent.

6. **UASD REPORT**

The Board discussed the conference and felt it was good. Manager Eppich stated one topic of discussion that kept coming up is the "separation of duties". This could affect the District due to how the District's employee positions/titles are currently set up. Manager Eppich will look into this more closely and keep the Board informed.

**7. DISCUSS POSSIBLE LEGISLATION**

Manager Eppich spoke to the Board about some of the possible legislation for the upcoming legislative session.

- ***Sewer Lateral Disclosures*** –This bill enacts provisions relating to sanitary sewer service; defines terms; and requires each public owner of sanitary sewer facilities to provide certain disclosures related to liability for the repair or replacement of a sewer lateral. Legrand Bitter asked Mark Anderson to draft proposed language modifying the text of the bill to allow for flexibility in the vehicle used to notify lateral owners and provide that frequency of the notice to be annually or at least annually.

Manager Eppich will keep the Board informed.

**8. DISCUSSION AND APPROVAL OF WORKERS COMPENSATION INSURANCE RENEWAL**

A copy of the Workman's Compensation Insurance premium quote was provided for Board review.

After review and discussion motion to approve the Workman's Compensation Insurance renewal with the current provider, Worker's Compensation Fund of Utah 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.

**9. DISCUSSION OF INTENT TO EXERCISE OPTION TO CALL AND REDEEM OUTSTANDING BONDS**

Manager Eppich gave the Board some history regarding the bonds. It is the intention of the District to use the option to call and redeem the outstanding bonds as has been discussed and budgeted.

**10. 10:00 A.M. PUBLIC BUDGET HEARING**

At 10:00 a.m. motion to move from the regular Board Meeting into the Public Budget Hearing portion of the meeting 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.

There were no members of the public present.

**A. DISCUSSION AND POSSIBLE AMENDMENT OF THE 2015 BUDGET**

Manager Eppich stated that we had anticipated having to amend the capital portion of the 2015 budget, for replacing the HVAC air conditioning and heating system, however, we decided not to replace the system at this time so there is no need to amend the 2015 budget.

**10. 10:00 A.M. PUBLIC BUDGET HEARING**

**B. TENTATIVE 2016 BUDGET**

Controller Rohwer reported that since the last board meeting there was only one change to the proposed budget. There is \$150,000 that will be added into 2016 capital budget for replacing the HVAC air conditioning and heating system. Controller Rohwer then gave the Board a little history on the air conditioning and heating system. We will be going out to bid for this project and hope to have bids back by the end of the year.

Motion to move from the Public Hearing and go back into the regular Board Meeting 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.

**11. MANAGER'S REPORT**

**A. PERSONNEL REVIEW**

There are no anniversaries at this time and all employees are doing well.

Manager Eppich reported to the Board that Ray Dotson's wife had been sick for a few weeks and then passed away suddenly on Monday. We will be sending flowers. Ami Neff asked to make sure we send condolences from the Board.

**B. OPERATIONS REPORT**

**1. UPDATE ON LINING PROJECT**

The lining project has been done and we have issued a check for \$329,308. There were no issues and they did a good job. The deep line that was discussed at the last board meeting was lined with no issues.

**12. INFORMATION ITEMS (NO ACTION REQUIRED)**

Controller Rohwer discussed some of the new benchmarking being done. The first chart was the October incoming call volume, showing the number of calls and the duration. Also included was details for September. There was a breakdown per day of the number of calls. Next was a chart showing analytics of our website. Our engineering department created a report showing the number of inspections, Blue Stakes calls, nose ons, and sewer availability letters requested.

Included in the information was the completed compliance review of the Utah Retirement Systems Public Employee's Noncontributory Retirement System. The report went well other than one item they pointed out was information on an employee that was terminated 14 years ago and their information hadn't been deleted.

**A. CENTRAL VALLEY FLOW & LOAD REPORT**

A copy of the current Central Valley Flow & Load Report was not available.

**12. INFORMATION ITEMS (NO ACTION REQUIRED) (CONTINUED)**

**B. UTAH PUBLIC TREASURER'S POOL YIELD**

The Utah Public Treasurer's Pool Yield for October 2015 has increased slightly from .636% to .659%.

**C. ANNUAL GRANITE SCHOOL DISTRICT BILLING FOR SEWER FEES**

The annual Granite School District billing was prepared for a total of \$34,602 for the 2014-2015 school year. The bill is higher this year due to higher average daily attendance (ADA) numbers. A copy of the payment received was provided to Board Members for review.

**D. CHRISTMAS PARTY UPDATE**

Tammy Gonzales, District Clerk, reminded the Board about the Christmas Party on December 3, 2015, at Little America at 7:00 p.m. and gave them an update on the progress of the party. Manager Eppich stated that we would be recognizing Don Telford at the party.

With no further information to come before the Board, motion to adjourn the Board Meeting and Public Hearing 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 Melvin Mackay.

The meeting adjourned at 11:00 a.m.

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Mel Mackay, Chairman of the Board