

**BOARD MEETING
DECEMBER 21, 2016
5:00 P.M.
MT. OLYMPUS IMPROVEMENT DISTRICT
3932 SOUTH 500 EAST**

SUMMARY

1. **MINUTES OF BOARD MEETING AND PUBLIC HEARING –NOVEMBER 16, 2016**
2. **MT. OLYMPUS PAYABLES**
3. **CENTRAL VALLEY PAYABLE**
4. **FINANCIAL REPORT**
5. **CENTRAL VALLEY REPORT – JOHN NORTON**
6. **APPROVAL OF WORKERS COMPENSATION INSURANCE FOR THE YEAR 2017**
7. **APPOINTMENT OF BOARD CHAIRMAN FOR THE YEAR 2017**
8. **APPOINTMENT OF DISTRICT REPRESENTATIVE AND ALTERNATE TO THE CENTRAL VALLEY BOARD FOR THE YEAR 2017**
9. **APPROVAL OF BOARD MEETING DATES FOR THE YEAR 2017**
10. **ANNUAL REVIEW OF PERSONNEL POLICIES**
11. **MANAGER’S REPORT**
 - A. **PERSONNEL REVIEW**
 - B. **OPERATIONS REPORT**
 1. **DISCUSSION AND POSSIBLE APPROVAL OF DAILY’S PREMIUM MEATS AMENDED AGREEMENT FOR IMPACT FEES**
 2. **UPDATE ON LINING PROJECT**
 3. **UPDATE ON BUILDING B EXPANSION**
 4. **REVIEW OF 2016 CAPITAL BUDGET AND PURCHASES**
 - C. **2017 HOLIDAYS**
 - D. **2017 CONFERENCES**
12. **INFORMATION ITEMS (NO ACTION REQUIRED)**
 - A. **DISTRICT ACTIVITY REPORTS**
 - B. **CENTRAL VALLEY FLOW & LOAD REPORT**
 - C. **UTAH PUBLIC TREASURER’S POOL YIELD**
 - D. **REVIEW OF CHRISTMAS PARTY**
13. **6:00 P.M. PUBLIC BUDGET & FEE INCREASE HEARING**
 - A. **DISCUSSION, PUBLIC INPUT AND APPROVAL OF FEE INCREASE FROM \$10.00 TO \$15.00 PER RE**
 - B. **DISCUSSION, PUBLIC INPUT AND APPROVAL OF THE YEAR 2017 BUDGET**
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

GUESTS: MATT DUGDALE, GEORGE K. BAUM
PHIL HECK, CENTRAL VALLEY

**BOARD MEETING
DECEMBER 21, 2016
PAGE TWO**

1. MINUTES OF BOARD MEETING AND PUBLIC HEARING – NOVEMBER 16, 2016

Motion to approve the November 16, 2016 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:

- ***IT Vulnerability Test*** – An IT test was conducted and they found critical issues, one being a firewall that was outdated. They have fixed the critical issues including the firewall.
- ***Interlocal Agreement*** – The Interlocal Agreement has now been signed and approved.
- ***Co-op Agreement*** – There was a second amendment to the Interlocal Co-op Agreement for the Jordan River Farmington Bay Water Quality Coalition. This amendment incorporates a few Utah County Entities; Timpanogos, Provo City, and Orem City. The Utah County constituents for the council requested a separation of accounts. The Coalition changed its name to The Wasatch Front Water Quality Council.
- ***Legislation*** – As you may recall Holland and Hart presented a proposal to The Wasatch Front Water Quality Council (Council) and are now lobbying for public education. Amanda Smith who is spear-heading the project is asking for \$3,000 per POTW per month. The main question being asked is what are they doing exactly and what will the outcome be? Amanda sent out an email stating that she would like to develop a steering committee/task force outside of the Council which would consist of representatives from each of the POTWs. Essentially she would like to use all of her connections to reach out to key legislators that make water policy decisions. At this time there are mixed feelings among the Central Valley board regarding this issue.

5. CENTRAL VALLEY REPORT – JOHN NORTON (CONTINUED)

- ***DWQ Permit*** – One of the permit issues we have been fighting for is a resolution on the effluent toxicity testing. Phil Heck believes we will not meet those requirements due to the wasteload analysis that the permit has been drafted under. Wasteload into Millcreek which our effluent represents 95% of our flow and the toxicants in the effluent of Central Valley would disrupt various organisms. We have been in negotiations with the State since we know we will not meet the requirements, to be put on some kind of compliance schedule. The State has been reluctant to put in writing that testing could be done once the BNR system is in place.
- ***Asset Management Software*** – A contractor was selected for the Asset Management Software. NexGen came in as the lowest bidder at \$470,000.
- ***Engine Generator*** – The bid for the engine generator was awarded to Smith Power GE and came in at a little over \$7 million.
- ***Ferric Chloride*** – The ferric chloride project at the Granger-Hunter pump station was deemed necessary to reduce the hydrogen sulfite levels at the plant. A pilot study was done showing the necessary changes that needed to be made. Construction is nearly complete at this time.

Manager Eppich stated that there is one more item that needed to be mentioned. The Water Finance Agency is a group of local governments that have contracted with an underwriter, a financial advisor and an attorney to assist agencies with bonding issues. Matt Dugdale explained that this Agency was created so that governmental agencies could bond through them, which would help keep costs down and get better interest rates. This issue will be addressed at the next Central Valley board meeting.

6. APPROVAL OF WORKERS COMPENSATION INSURANCE FOR THE YEAR 2017

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.

7. APPOINTMENT OF BOARD CHAIRMAN FOR THE YEAR 2017

After review and discussion, motion to appoint Trustee Ami Neff as Board Chair for the year 2017 was made by Trustee John Norton and seconded by Trustee Mel Mackay. The motion was approved by unanimous vote, those voting in favor: John Norton, Ami Neff, and Mel Mackay.

8. APPOINTMENT OF DISTRICT REPRESENTATIVE AND ALTERNATE TO CENTRAL VALLEY BOARD FOR THE YEAR 2017

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 2017 was made by Trustee Ami Neff and seconded by Trustee John Norton. 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 Holstrom, General Manager of Central Valley.

9. APPROVAL OF BOARD MEETING DATES FOR THE YEAR 2017

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 2017 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.

10. ANNUAL REVIEW OF PERSONNEL POLICIES

Manager Eppich stated that the 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.

11. MANAGER'S REPORT

A. PERSONNEL REVIEW

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

- Neal Stoddard's anniversary is on January 9th. He has been with the District 5 years and is doing a great job.

B. OPERATIONS REPORT

1. DISCUSSION AND POSSIBLE APPROVAL OF DAILY'S PREMIUM MEATS AMENDED AGREEMENT FOR IMPACT FEES

The Board was provided copies of the Amended Agreement to extend Daily's time for determining their final RE count. District counsel recommends approving the amended extension.

After review and much discussion, motion to approve the Amended Agreement for Impact Fees 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. MANAGER’S REPORT (CONTINUED)

B. OPERATIONS REPORT (CONTINUED)

2. UPDATE ON LINING PROJECT

Insituform has now completed the lining project and a check will be mailed out today. Insituform did a great job and we are pleased with their work. Trustee Neff asked about an infiltration issue that we had discussed previously. Engineer Ayala stated we still need to grout and line this area of pipe at a future time.

3. DISCUSSION ON BUILDING B EXPANSION

As you may recall Arnell West was awarded the contract. They will start the work on December 27, 2017.

4. REVIEW OF 2016 CAPITAL BUDGET AND PURCHASES

Controller Rohwer, reviewed the capital expenditure variance report. At the end of November 2016, we have spent 59% of the budget. The \$430,000 left on the budget was due to not expanding building B in 2016, but will be put in the 2017 budget.

C. 2017 HOLIDAYS

The Board was provided a copy of the 2017 Holiday list for their review.

D. 2017 CONFERENCES

A copy of the 2017 Conference schedule was provided to the Board for their review. A short discussion was then had on the different conferences.

12. INFORMATION ITEMS (NO ACTION REQUIRED)

A. DISTRICT ACTIVITY REPORTS

Copies of the District’s activity reports were provided for Board review. Trustee Norton asked the question what was the difference between capacity fees and impact fees. Manager Eppich stated we consider them the same thing. Impact fees can mean different things to different entities, but for the District they are considered the same.

B. CENTRAL VALLEY FLOW & LOAD REPORT

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

C. UTAH PUBLIC TREASURER’S POOL YIELD

The Utah Public Treasurer’s Pool Yield for November 2016 was up slightly to 1.123 %.

12. INFORMATION ITEMS (NO ACTION REQUIRED)

D. REVIEW OF CHRISTMAS PARTY

Photos of the party were provided for the Board to review. The Board stated they had fun. The question was asked if there were any suggestions or new ideas for the party. The Board stated they are open to different ideas, maybe a summer party. Trustee Mackay suggested having the office personnel get together and make suggestions on different types of parties and bring those to the Board.

13. 6:00 P.M. PUBLIC BUDGET & FEE INCREASE HEARING

At 6:00 p.m. motion to move from the regular Board Meeting into the Public 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.

A. DISCUSSION, PUBLIC INPUT AND APPROVAL OF FEE INCREASE FROM \$10.00 TO \$15.00 PER RE

With no members of the public present for comment, and after review and discussion, motion to approve the \$5.00 increase to be effective January 1, 2017 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.

B. DISCUSSION, PUBLIC INPUT AND APPROVAL OF THE YEAR 2017 BUDGET

After review and discussion, motion to approve the 2017 Budget 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 6:05 p.m. motion to close the Public Hearing portion of the meeting and return to the regular Board Meeting into the 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.

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.

Motion to go back into the open session 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.

After review and discussion, motion to approve the COLA and merit increase, and a \$2,500 bonus for Manager 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.

**BOARD MEETING
DECEMBER 21, 2016
PAGE SEVEN**

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 6:44 p.m.

Mel Mackay, Chairman of the Board