

**BOARD MEETING
JUNE 21, 2016
9:00 A.M.
MT. OLYMPUS IMPROVEMENT DISTRICT
3932 SOUTH 500 EAST**

SUMMARY

- 1. MINUTES OF BOARD MEETING – MAY 18, 2016**
- 2. MT. OLYMPUS PAYABLES**
- 3. CENTRAL VALLEY PAYABLE**
- 4. FINANCIAL REPORT**
- 5. CENTRAL VALLEY REPORT – JOHN NORTON**
 - A. REVIEW OF CENTRAL VALLEY FINANCIAL MODEL FOR CIP AND NUTRIENT REMOVAL FUNDING**
- 6. 9:30 A.M. – MATT DUGDALE – REVIEW OF FINANCIAL MODEL FOR DISTRICT’S SHARE OF CENTRAL VALLEY ISSUES**
- 7. APPROVAL OF FINAL AUDIT REPORT FOR THE YEARS ENDED 2015 AND 2014 BY HUBER ERICKSON AND BOWMAN, CERTIFIED PUBLIC ACCOUNTANTS**
- 8. CONSIDERATION, APPROVAL AND ADOPTION OF 2016 TAX RATE**
- 9. CONSIDERATION AND APPROVAL OF AMENDING PROPERTY TAX REVENUES IN THE 2016 BUDGET (ENTERPRISE FUND)**
- 10. CONSIDERATION AND APPROVAL OF AMENDING THE 2016 BUDGET**
- 11. CONFIRMATION OF DATES FOR 2017 BUDGET PROCESS, BUDGET HEARING AND BUDGET APPROVAL**
- 12. MANAGER’S REPORT**
 - A. PERSONNEL REVIEW**
 - B. OPERATIONS REPORT**
 - 1. DISCUSSION AND APPROVAL OF LINING BID**
 - 2. DISCUSSION AND APPROVAL OF UPDATES TO THE PERSONNEL POLICY MANUAL**
 - 3. UPDATE ON BUILDING B EXPANSION**
 - 4. UPDATE ON BUILDING C HEATING AND AIR CONDITIONING REPLACEMENT**
 - C. WEFTEC 2016 ARRANGEMENTS**
- 13. INFORMATION ITEMS (NO ACTION REQUIRED)**
 - A. DISTRICT ACTIVITY REPORTS**
 - 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
STEPHEN ROHWER, DISTRICT CONTROLLER
TAMMY GONZALES, EXECUTIVE SECRETARY/DISTRICT CLERK

PRESIDING: CHAIR, MEL MACKAY

1. MINUTES OF BOARD MEETING – MAY 18, 2016

Motion to approve the May 18, 2016 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 was discussed at the last Central Valley board meeting:

-) ***Co-Generation*** – Central Valley has finished the Tier II seismic evaluations to determine what seismic modes will be needed. There was a predesigned co-engine workshop to discuss the designs and project. Pre-purchase ranking of the different engines selection was had as well.
-) ***Capital Improvement Plan (CIP)*** – An RFP for the software will be sent out this month. This software will track all capital improvement costs and equipment.
-) ***Plant Interface*** – Central Valley’s IT discussed an interface (dashboard) for the plant for the different entities. This dashboard can be customized and will show the different flows and information for each entity.
-) ***Legal Counsel*** – Graham Gilbert, Legal Counsel for Central Valley is leaving so they will be looking for new legal counsel.
-) ***Permit Renewal*** – The majority of the meeting focused on the plant renewal, nutrient removal and the CIP. Point of discharge has been a contention for quite a while now as well as the pipeline issue. There was a discussion as to whether or not to send out an RFP for the pipeline. Essentially it comes down to the waste-load analysis. The most recent analysis is based on Mill Creek and not the Jordan River point of discharge.
-) ***Food Recovery*** – The pilot liquid food waste recovery project is now active.

Theron Miller discussed in length that one of the issues with the Coalition was that some of the research and studies that were conducted, apparently were not coordinated with the State. We need to do better coordinating.

5. CENTRAL VALLEY REPORT – JOHN NORTON (CONTINUED)

A. REVIEW OF CENTRAL VALLEY FINANCIAL MODEL FOR CIP AND NUTRIENT REMOVAL FUNDING

A chart presentation showing a cost breakdown of the model for the CIP and nutrient removal was shown. This schedule shows Central Valley will bond for \$41 million dollars in 2017; however there are a few entities besides us that do not want to bond. In 2017 and 2018, \$52 million will be spent on asset management and nutrient removal. This new schedule should help bring all the projects together in a timely manner and keep costs down. Trustee Norton stated for the record we are in agreement to approve the rebuild of the plant with nutrient removal and do not want to bond.

6. 9:30 A.M. – MATT DUGDALE – REVIEW OF FINANCIAL MODEL FOR DISTRICT'S SHARE OF CENTRAL VALLEY ISSUES

The Board welcomed Matt Dugdale. Matt handed out a financial planning model chart showing the District's cash position. This model shows projections out for 14 years (2030). It shows historical amounts, revenue growth, expenditure growth, as well as Central Valley's projected expenses for the plant rebuild and the nutrient removal project. The model will help with decisions regarding fees and rates. These fees are calculated from Residential Equivalent (REs) assumptions and there was a scenario showing a \$3.00 increase vs. a \$4.00 increase and how the cash position of the District is affected.

7. APPROVAL OF FINAL AUDIT REPORT FOR THE YEARS ENDED 2015 AND 2014 BY HUBER ERICKSON AND BOWMAN, CERTIFIED PUBLIC ACCOUNTANTS

Copies of the final 2015 Audit Report were provided to Board Members for their review.

Controller Rohwer stated that there were some minor wording changes from the report they received at the last board meeting, but were minimal and immaterial.

After review and discussion, motion to approve and accept the Audit Report for the years ended 2015 and 2014 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.

8. CONSIDERATION, APPROVAL AND ADOPTION OF 2016 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 .000314.

After review and discussion, motion to approve the 2016 Tax Rate of .000314, matching the certified rate, 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.

9. CONSIDERATION AND APPROVAL OF AMENDING PROPERTY TAX REVENUES IN THE 2016 BUDGET (ENTERPRISE FUND)

By approving the tax rate of .000314 it will generate tax revenue of \$2,772,991 an increase of approximately \$21,000 over the budgeted amount.

After review and discussion, motion to approve the 2016 tax revenue of \$2,772,991 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.

10. CONSIDERATION AND APPROVAL OF AMENDING THE 2016 BUDGET

Trustee John Norton made the motion that the Board adopt the following resolution:

RESOLUTION #18-062116-1

WHEREAS, Since it is the Boards intention to amend the budget to incorporate the amount for sewer maintenance and operation taxes as the result of adopting the certified rate, NOW THEREFORE BE IT RESOLVED by the Board of Trustees of Mt. Olympus Improvement District that a M.O. (Sewer Disposal) tax rate of .000314 be adopted and approved and that the 2016 Budget be amended to reflect the effect of this adoption as follows:

ACCOUNT NUMBER	ITEM	PRIOR AMOUNT	NEW AMOUNT	DIFFERENCE DEBIT/(CREDIT)
3035	Taxes M & O	\$2,751,978	\$2,772,991	\$ (21,013)
4515	Increase RDA Expense	26,000	55,000	(29,000)
3038	Increase RDA Revenue	26,000	55,000	29,000
4220	Benefits (Admin)	94,963	100,441	5,478
3070	Interest Fee (Admin)	177,707	150,000	27,707
5126	Pension Benefit Expense	-0-	62,644	(62,644)
4085	Lines Maintenance (Lining)	474,528	525,000	50,472

The motion was seconded by Trustee Ami Neff. The motion was approved by unanimous vote, those voting in favor: John Norton, Ami Neff, and Mel Mackay.

11. CONFIRMATION OF DATES FOR 2017 BUDGET PROCESS, BUDGET HEARING AND BUDGET APPROVAL

A discussion of the dates for the 2017 Budget process was had and the dates that had been previously approved by Board motion were discussed and are as follows. The 2017 Tentative Budget is set for October 19, 2016 at 9:00 a.m. The 2017 Budget Hearing date is set for November 16, 2016, at 6:00 p.m. The date for final Budget Approval is set for December 21, 2016 at 9:00 a.m.

12. MANAGER'S REPORT

A. PERSONNEL REVIEW

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 19 years.

Trista Etulain's anniversary is on July 7th. She will have been with the District for 5 years.

Dean Ayala's anniversary is on July 7th. He will have been with the District for 1 year.

All are doing a good job.

B. OPERATIONS REPORT

1. DISCUSSION AND APPROVAL OF LINING BID

We received two bids for the lining project:

COMPANY NAME	BID PRICE
PEC INC.	\$675,238.00
INSITUFORM	\$456,946.00

District Engineer, Dean Ayala stated he had estimated the bid to be around \$391,000 but the bids came in a lot higher. This is about a 40% increase due to an increase in this type of work being done in the area. It is being recommended we accept Insituform's bid and next year look into maybe a better timeframe.

After review and discussion, motion to accept Insituform's bid to perform the District's 2016 Lining Project 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. DISCUSSION AND APPROVAL OF UPDATES TO THE PERSONNEL POLICY MANUAL

Manager Eppich and Controller Rohwer went over in detail some of the proposed changes to the personnel policy manual.

Some of the major changes were:

- J Updated District name from Salt Lake City Suburban Sanitary District No 1 to Mt Olympus Improvement District
- J Updated Board of Trustee names and date of approval
- J Added/removed the following job classifications
 - Added-Accounts Receivable Coordinator position
 - Added-Assistant Engineer / Inspector II
 - Removed Pretreatment Coordinator

12. MANAGER’S REPORT (CONTINUED)

B. OPERATIONS REPORT (CONTINUED)

2. DISCUSSION AND APPROVAL OF UPDATES TO THE PERSONNEL POLICY MANUAL (CONTINUED)

- J Recruiting & Hiring - Announcement of vacancies
- J Pay periods and Time Records
 - Changed Pay date from Friday to Thursday.
- J Vehicle Use
- J On The Job Accidents
- J Added Section 18: Elected Officials
 - This addition is required by Utah Retirement Systems for elected officials
- J Section C: Holidays – added the following verbiage:

“Employees must be in active status (not on leave without pay) the day before and the day after to receive holiday pay”

After review and discussion, motion to approved changes to the District's Personnel Policy Manual 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. UPDATE ON BUILDING B EXPANSION

Engineer Ayala discussed the progress on the expansion of Building B. The plans are still with Salt Lake County. We are basically still in the plan review process. We have been working with them however, they are working very slowly. The bidding on this project will need to be pushed to later this year and the building most likely will be pushed to next year.

4. UPDATE ON BUILDING C HEATING AND AIR CONDITIONING REPLACEMENT

As you may recall Mechanical Service Systems is doing the work. The air conditioning unit is now working. There were a couple of items that fell a little behind due to items not being ordered. They just installed a damper this last week and the condenser unit needs to be installed on springs. Their contract time is technically done. We have paid them \$75,000 of the bid price of \$210,000 (with change orders) with two more payments to be made.

C. WEFTEC 2016 ARRANGEMENTS

All WEFTEC 2016 arrangements have been made.

13. INFORMATION ITEMS (NO ACTION REQUIRED)

A. DISTRICT ACTIVITY REPORTS

- J **CALL VOLUME:** Incoming call volume for May, shows the number of calls and the duration. May 23rd had the most incoming calls at 184.
- J **CAPACITY FEES:** In May we did not receive any capacity fees.
- J **LINES CLEANED:** The lines cleaning chart shows that 162,644 feet of lines were cleaned in May.
- J **ENGINEERING:** Our engineering report for May shows the number of inspections, 41, Blue Stakes calls 876, nose-ons 3, and sewer availability letters requested was 4.
- J **PAYMENT VOLUME:** The payment volume chart shows the number of transactions for both in office and Xpress Bill Pay (XBP): transactions for in office were 7,118 and 5,709 for XBP; payments in dollar amounts were \$499,640 for in office and \$197,032 for XBP.
- J **LINES TVd:** The next chart showed that 46,583 feet of lines were TVd for the month of May.
- J **WEBSITE ANALYSIS:** Next was a chart showing analytics of our website for May.

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 June 2016 is 0.899 percent which is up from 0.851 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 11:40 a.m.

Mel Mackay, Board Chair