

**BOARD MEETING  
JUNE 21, 2017  
9:00 A.M.  
MT. OLYMPUS IMPROVEMENT DISTRICT  
3932 SOUTH 500 EAST**

**SUMMARY**

1. **MINUTES OF BOARD MEETING – MAY 18, 2017**
2. **MT. OLYMPUS PAYABLES**
3. **CENTRAL VALLEY PAYABLE**
4. **FINANCIAL REPORT**
5. **CENTRAL VALLEY REPORT – JOHN NORTON**
6. **DISCUSSION AND APPROVAL OF CHANGE TO THE LATE FEE POLICY**
7. **DISCUSSION OF DAILY'S PREMIUM MEATS**
8. **POSSIBLE CLOSED SESSION TO DISCUSS STRATEGY REGARDING PENDING OR REASONABLY IMMINENT LITIGATION**
9. **APPROVAL OF FINAL AUDIT REPORT FOR THE YEARS ENDED 2016 AND 2015 BY HUBER ERICKSON AND BOWMAN, CERTIFIED PUBLIC ACCOUNTANTS**
10. **CONSIDERATION, APPROVAL AND ADOPTION OF 2017 TAX RATE**
11. **CONSIDERATION AND APPROVAL OF AMENDING PROPERTY TAX REVENUES IN THE 2017 BUDGET (ENTERPRISE FUND)**
12. **CONSIDERATION AND APPROVAL OF AMENDING THE 2017 BUDGET**
13. **CONFIRMATION OF DATES FOR 2018 BUDGET PROCESS, BUDGET HEARING AND BUDGET APPROVAL**
14. **UPDATE ON TRUSTEE ELECTION**
15. **DISCUSSION AND APPROVAL OF CHANGE TO PUMP SUBSTANDARD AGREEMENT**
16. **MANAGER'S REPORT**
  - A. **PERSONNEL REVIEW**
  - B. **OPERATIONS REPORT**
    1. **UPDATE ON BUILDING B EXPANSION**
  - C. **WEFTEC 2017 ARRANGEMENTS**
17. **INFORMATION ITEMS (NO ACTION REQUIRED)**
  - A. **DISTRICT ACTIVITY REPORTS**
    - A. **CENTRAL VALLEY FLOW & LOAD REPORT**
    - B. **UTAH PUBLIC TREASURER'S POOL YIELD**

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

**PRESIDING:**       **CHAIR, AMI NEFF**

**GUESTS:**           **JEFF SILVESTRINI, MILLCREEK CITY MAYOR**  
                          **WALLACE FELSTED, DISTRICT ATTORNEY**  
                          **BARRY VANDER VEUR, DAILY'S PREMIUM MEATS**

**1. MINUTES OF BOARD MEETING – MAY 18, 2017**

Motion to approve the May 18, 2017 Board Meeting minutes, as written, 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, Mel Mackay, and Ami Neff.

**2. MT. OLYMPUS PAYABLES**

Controller Rohwer discussed the UASD payable and their fees.

After review and discussion, motion to approve the Mt. Olympus Payables 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, Mel Mackay, and Ami Neff.

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

**4. FINANCIAL REPORT**

The Financial Report was accepted for filing by Board Members.

At 9:07 a.m. Millcreek City Mayor, Jeff Silvestrini joined the meeting. As you may recall Millcreek City is occupying some of the District's office space. Mayor Silvestrini asked the Board for an extension of time until September 31, 2017. Millcreek has found office space but it won't be ready until sometime in September. The Mayor extended his gratitude for our hospitality and stated that the staff has been very gracious with their customers. The Board agreed to the extension of time.

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

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

- ***Bond Rating*** – As you may recall Central Valley and John Norton went on a trip to San Francisco for a bond rating. Both S&P and Fitch have rated us at AA which is a good rating. There is a pre-pricing meeting being held today at which time they will set the price. The bond closing is scheduled for July 21, 2017. The bond is being issued under the Utah Water Finance Agency and we will partner with the Central Weber Wastewater Plant for a combined total of \$62 million of which \$32 million is our portion.
- ***Food Waste Trip*** – Central Valley and the Board went on a trip to East Bay Municipal Utility District and also to Santa Rosa Wastewater Treatment Facility to take a tour of their waste food processing facility. East Bay collects over \$11 million dollars in tipping fees and they estimate their power generation benefits are between \$1 to \$3 million dollars a year. In Santa Rosa the phosphorus limit is zero and they do not discharge into any receiving body, they discharge into holding ponds. Santa Rosa has just started on the waste food processing. One thing they are looking at for generating revenue for the plant is growing marijuana. Although it is legal in California, the land they are on is considered city property and is not legal on city land. For Central Valley the pilot project looks very promising and this trip gave Central Valley ideas to look into for their project.

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

- **Clarifiers** – Phil Heck discussed the need for two new clarifiers. Currently there are 10 clarifiers and the rebuild for the nutrient system calls for two more clarifiers. These clarifiers have been in the design plan but are being moved up due to problems with settling waste. The design contract will come in at a cost of \$268,000 and the clarifiers will cost approximately \$7 million once completed.
- **Ferric Feed Station** – The ferric feed station that helps reduce the hydrogen sulfite is up and running.
- **Interceptor** – As you may recall there was a lifting sling that caused a blockage in the Murray-Cottonwood Interceptor. This is the first time they have had any problems, and also the first time they have contracted with Nicks Construction. Everything is corrected and working fine.
- **Department of Water Quality** – It was announced that the new Director for the Department of Water Quality is Erica Gaddis. She has good credentials and has been the assistant director since the end of 2014.
- **Retirement** – Changes to the Retirement Plan were discussed and it was recommended that they look at this again and report back.

**6. DISCUSSION AND APPROVAL OF CHANGE TO THE LATE FEE POLICY**

Wallace Felsted, District Attorney was welcomed into the meeting.

We received a phone call from a customer who questioned our late fee policy. After reviewing the law and discussion with our attorney, it was determined that we need to make a change to our penalty and interest charge policy. It was recommended that the District charge only a penalty charge of 8%.

After review and discussion, motion to approve the change to the penalty charge policy 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, Mel Mackay, and Ami Neff.

**7. DISCUSSION OF DAILY'S PREMIUM MEATS**

The Board welcomed Barry Vander Veur with Daily's Premium Meats. Mr. Vander Veur explained in detail how they have worked hard to bring down Daily's wastewater discharge into the District's system. Mr. Vander Veur stated that although Daily's has had sufficient time to make and test improvements they have encountered delays and surprises along the way. Manager Eppich stated that we have been working with Daily's for a number of years and have granted a number of extensions. Manager Eppich asked what exactly is Daily's asking for? After much discussion Mr. Vander Veur finally stated they would like an extension to the Amended and Restated Agreement for Impact Fees. The Board stated they would take it under advisement and will get back with Mr. Vander Veur regarding their decision.

**7. DISCUSSION OF DAILY'S PREMIUM MEATS (CONTINUED)**

Motion to hold a Board meeting on June 28, 2017 to discuss Daily's request for an extension of the Agreement, 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, Mel Mackay, and Ami Neff.

**8. POSSIBLE CLOSED SESSION TO DISCUSS STRATEGY REGARDING PENDING OR REASONABLY IMMINENT LITIGATION**

Motion to move into a closed session to discuss strategy regarding pending or reasonably imminent litigation was made by Trustee Mel Mackay and seconded by Trustee John Norton. The motion was approved by unanimous vote, those voting in favor: John Norton, Mel Mackay, and Ami Neff.

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

**9. APPROVAL OF FINAL AUDIT REPORT FOR THE YEARS ENDED 2016 AND 2015 BY HUBER ERICKSON AND BOWMAN, CERTIFIED PUBLIC ACCOUNTANTS**

Copies of the final 2016 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 2016 and 2015 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, Mel Mackay and Ami Neff.

**10. CONSIDERATION, APPROVAL AND ADOPTION OF 2017 TAX RATE**

Controller Rohwer went over the process of how the certified tax rate is calculated which is 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 .000297.

After review and discussion, motion to approve the 2017 Tax Rate of .000297, matching the certified rate, 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, Mel Mackay and Ami Neff.

**11. CONSIDERATION AND APPROVAL OF AMENDING PROPERTY TAX REVENUES IN THE 2017 BUDGET (ENTERPRISE FUND)**

By approving the tax rate of .000297 it will generate tax revenue of \$2,805,107.

After review and discussion, motion to approve the 2017 tax revenue of \$2,805,107 and amend the budget 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, Mel Mackay and Ami Neff.

**12. CONSIDERATION AND APPROVAL OF AMENDING THE 2017 BUDGET**

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

**RESOLUTION #18-062117-1**

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 O.M. (Sewer Disposal) tax rate of .000297 be adopted and approved and that the 2017 Budget be amended to reflect the effect of this adoption as follows:

<b>ACCOUNT NUMBER</b>	<b>ITEM</b>	<b>PRIOR AMOUNT</b>	<b>NEW AMOUNT</b>	<b>DIFFERENCE DEBIT/(CREDIT)</b>
3035	Taxes O & M	\$2,772,991	\$2,799,459	\$ (26,468)
3037	Increase Fee in Lieu Revenue	140,633	152,694	(12,061)
3036	Increase Tax Collections Fee	60,000	70,400	(10,400)
3038	Increase RDA Revenue	55,000	62,899	(7,899)
4515	Increase RDA Expense	55,000	62,899	7,899
5126	Pension Benefit Expense	20,000	62,644	42,644
1640	Increase Capital Outlay – Building	475,000	550,740	75,740

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

**13. CONFIRMATION OF DATES FOR 2018 BUDGET PROCESS, BUDGET HEARING AND BUDGET APPROVAL**

The 2018 Tentative Budget is set for October 18, 2017 at 9:00 a.m. The 2018 Budget Hearing date is set for November 15, 2017, at 10:00 a.m. The date for final Budget Approval is set for December 20, 2017 at 9:00 a.m.

**14. UPDATE ON TRUSTEE ELECTION**

Manager Eppich stated that we have completed the declaration of candidacy period with two positions available and two candidates filing a declaration of candidacy. There is a law that states anyone has the ability to file for a write-in candidacy, but is still required to come in and sign a declaration of candidacy. If they file for a write-in candidacy their name will not appear on the ballot. September 8, 2017 is the deadline for write-in candidate declarations. If there are no write-in candidates by September 8, 2017, we will inform the County that the District intends to cancel the election. Then at the board meeting on September 20, 2017 the Board will adopt a resolution to cancel the election and certify that the candidates are considered elected to office.

**15. DISCUSSION AND APPROVAL OF CHANGE TO PUMP SUBSTANDARD AGREEMENT**

Historically the District has required any property with an ejector pump connected to our collection system must sign a Substandard Sewer Agreement. Sewer ejector pumps have become more common due to larger homes with deeper basements and thus have become more frequent. Also since the pumps are normally inside the residence they are technically beyond the District's purview. We contacted other entities and determined that none of them require or have any type of agreement for ejector pumps. Due to these factors it is being recommended that the District stop requiring Substandard Agreements for ejector pumps.

Motion to approve the discontinuation of the Substandard Sewer Agreement for ejector pumps was made by Trustee Mel Mackay and seconded by Trustee John Norton. The motion was approved by unanimous vote, those voting in favor: Mel Mackay, John Norton, and Ami Neff.

**16. 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 14<sup>th</sup>. He will have been with the District for 20 years.

Trista Etulain's anniversary is on July 7<sup>th</sup>. She will have been with the District for 6 years.

Dean Ayala's anniversary is on July 7<sup>th</sup>. He will have been with the District for 2 years.

All are doing a good job.

Manager Eppich stated that we have posted a job notice for two positions for the lines maintenance crew. There are a couple of projects that we will need to complete in the engineering department and so we will shuffle a couple of employees to help with those projects and hire two people to fill the void in lines maintenance. Next year we may hire an additional two more individuals to help in the lines maintenance department. Controller Rohwer stated that we should have the budget to cover these positions.

**16. MANAGER'S REPORT**

**B. OPERATIONS REPORT**

**1. UPDATE ON BUILDING B EXPANSION**

Engineer Ayala discussed the progress on the expansion of Building B. The building is close to being done, maybe a couple more weeks. They are painting the building now. The completion date is early July. We are pleased with the work they have done.

**C. WEFTEC 2017 ARRANGEMENTS**

Manager Eppich stated that there are some sessions that Dean and he would like to attend. So we will make the necessary arrangements for that.

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

**A. DISTRICT ACTIVITY REPORTS**

- **CALL VOLUME:** Incoming call volume for May, shows the number of calls and the duration. May 4<sup>th</sup> had the most incoming calls at 224.
- **CAPACITY FEES:** In May there were 70 capacity fees collected.
- **LINES CLEANED:** The lines cleaning chart shows that 198,967 feet of lines were cleaned in May.
- **ENGINEERING:** Our engineering report for May shows the number of inspections, 62, Blue Stakes calls 1029, nose-ons 7, and sewer availability letters requested was 11.
- **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 6,941 and 6,530 for XBP; payments in dollar amounts were \$733,062 for in office and \$334,091 for XBP.
- **LINES TVd:** The next chart showed that 43,881 feet of lines were TVd for the month of May.
- **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 May 2017 is 1.26 percent which is up from 1.24 percent.

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With no further information to come before the Board, motion to adjourn 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, Mel Mackay, and Ami Neff.

The meeting adjourned at 12:12 p.m.

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*Ami Neff, Board Chair*