

**BOARD MEETING
OCTOBER 18, 2017
9:00 A.M.
MT. OLYMPUS IMPROVEMENT DISTRICT
3932 SOUTH 500 EAST**

SUMMARY

1. MINUTES OF BOARD MEETING – SEPTEMBER 20, 2017
2. MT. OLYMPUS PAYABLES
3. CENTRAL VALLEY PAYABLE
4. FINANCIAL REPORT
5. CENTRAL VALLEY REPORT – JOHN NORTON
 - A. TENTATIVE BUDGET
 - B. REVIEW OF PROJECTED 5 YEAR CAPITAL BUDGET
6. REVIEW AND APPROVAL OF HEALTH INSURANCE RENEWAL
7. REVIEW AND APPROVAL OF 2018 TENTATIVE BUDGET
8. SET DATE, TIME AND PLACE FOR PUBLIC HEARING OF 2018 BUDGET AND ORDER NOTICE OF HEARING
9. 10:15 A.M. – DARRELL CHILD, OLYMPUS INSURANCE – REVIEW OF PROPERTY & LIABILITY INSURANCE RENEWAL
10. MANAGER'S REPORT
 - A. PERSONNEL REVIEW
 - B. OPERATIONS REPORT
 1. UPDATE ON CAPITAL PROJECTS
 - C. UTAH ASSOCIATION OF SPECIAL DISTRICTS CONFERENCE
 - D. REVIEW OF WEFTEC CONFERENCE
 - E. WEAU MID-YEAR CONFERENCE
11. INFORMATION ITEMS (NO ACTION REQUIRED)
 - A. DISTRICT ACTIVITY REPORTS
 - B. UTAH PUBLIC TREASURER'S POOL YIELD
 - C. CENTRAL VALLEY FLOW & LOAD REPORT
 - D. ANNUAL GRANITE SCHOOL DISTRICT BILLING FOR SEWER FEES

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

PRESIDING: CHAIR, AMI NEFF

GUESTS: DARRELL CHILD, OLYMPUS INSURANCE
VAL CHRISTIANSON
FRANK CHRISTIANSON
BRUCE BLANCHARD

1. **MINUTES OF BOARD MEETING – SEPTEMBER 20, 2017**

Motion to approve the September 20, 2017 Board Meeting minutes, as written, 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.

2. **MT. OLYMPUS PAYABLES**

After review and discussion, motion to approve the Mt. Olympus Payables 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.

3. **CENTRAL VALLEY PAYABLE**

After review and discussion, motion to approve the Central Valley Payable 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.

4. **FINANCIAL REPORT**

The Financial Report was accepted for filing by Board Members.

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

Trustee Norton reported on the last Central Valley Board meeting.

Topics of discussion were:

- ***Central Valley Public Budget Hearing*** – October 25, 2017 at 3:00 p.m. is the date and time Central Valley has set for their public budget hearing. Total projected budget for next year is approximately \$66 million.
- ***Legislative and Public Relations Trip*** – On September 13, 2017 a tour of Utah Lake was sponsored by the Wasatch Front Water Quality Council. The intent was to engage legislators to help develop informed policies that are based on good research.
- ***Discharge Violations*** – As you may recall Central Valley had two discharge violations, one in April and one in August. Both were fairly minor and were apparently from equipment failures. The fine for both violations is approximately \$9,700. We are allowed to pay for mitigation projects or training as opposed to paying DWQ.
- ***Capital Projects*** –
 - Bids were sent out for work on the influent box culvert and the work will start soon. AUI Inc. was awarded the contract in the amount of approximately \$2 million.
 - The engine generator project had factory testing done and they are being shipped. Bids for the absorption chillers were sent out.
 - Central Valley has been running a BNR Pilot project. This project has been providing good information on the pre-design upgrades for the plant. This also helps give Central Valley good information with the design of the new plant in relation to the WET tests that we have failed.

5. CENTRAL VALLEY REPORT – JOHN NORTON (CONTINUED)

A. TENTATIVE BUDGET

A copy of the tentative budget was included for Board review.

The majority of the budget had to do with the capital improvements for 2018. Controller Rohwer stated that \$11 million of the 2017 capital budget was moved to the 2018 budget.

B. REVIEW OF PROJECTED 5 YEAR CAPITAL BUDGET

Manager Eppich stated that the enclosed copy of the 5 year plan shows that some of the numbers don't add up due to Central Valley moving monies to the 2018 budget. Their plan is to complete the projects listed in the 2018 capital budget and also the projects that have moved forward from this year's budget. There is an increase in operations of approximately \$700,000 due to certain items that will be removed such as the power generators, which will force the plant to switch back to Rocky Mountain Power instead of using their own power. This budget will change once some of the projects are completed.

6. REVIEW AND APPROVAL OF HEALTH INSURANCE RENEWAL

The District has received its Health Insurance Renewal from PEHP its current provider. The medical and dental premium came back with a 1.9% increase with minimum plan changes which is very good.

After review and discussion, motion to approve the renewal of the PEHP Health Plan 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, Melvin Mackay, and Ami Neff.

7. REVIEW AND APPROVAL OF 2018 TENTATIVE BUDGET

The Board was provided copies of the proposed 2018 Tentative Budget. Controller Rohwer discussed the budget highlights:

- Increase sewer fee revenue from \$9,610,830 to \$9,818,820 due to increase in projected 2018 RE's including Daily Foods RE increase
- Decrease in penalty & administrative fee revenue from \$150,068 to \$99,688 due to the penalty rate change from 15% to 8%
- Decrease in capacity fee revenue from \$261,800 to \$187,000 due to projected connections in 2018
- COLA is proposed at 3.00% and a merit increase at 0-2%
- Decrease lines repair budget from \$700,000 to \$600,000 for 2018 lining projects
- Increase Central Valley O&M from \$3,765,922 to \$4,399,746
- Increase District's portion of CVWRF capital from \$5,050,802 to 10,008,462 for capital projects
- Decrease District capital budget from \$550,740 to 69,694 for capital projects

Net effect to budget for 2018 is a use of reserves of \$5,870,181

7. REVIEW AND APPROVAL OF 2018 TENTATIVE BUDGET (CONTINUED)

After review and discussion, Trustee Norton made a motion to approve and adopt the 2018 Tentative Budget and have it ready for the public hearing which will be held on Wednesday, November 15, 2017 at 10:00 a.m., and seconded by Trustee Mel Mackay. The motion was approved by unanimous vote, those voting in favor: John Norton, Melvin Mackay, and Ami Neff.

8. SET DATE, TIME AND PLACE FOR PUBLIC HEARING OF 2018 BUDGET AND ORDER NOTICE OF HEARING

After review and discussion, motion to approve the date, time and place for public hearing of 2018 budget and order notice of hearing 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, Melvin Mackay, and Ami Neff.

At this time we had three guests request time to address the Board: Val Christianson, Frank Christianson, and Bruce Blanchard. Each guest came to state their concern about Central Valley and the District's employee wages, salaries, and benefits. Mr. Blanchard's concern was mainly for Central Valley. He went into detail about the benefit percentages of the employees at Central Valley. Each guest stated that they would appreciate the Board looking into the wages, salaries and benefits of management. They felt the compensation/benefits are too high for government employees and that employee turnover wasn't occurring enough.

Trustee Norton stated that we are a unique organization in-that this is a sewer business and not a glamorous or pleasant job. Customers don't like it when their sewers back-up, and we work hard to keep these lines clean and back-up free (flawless). Salaries and benefits are not the biggest part of our budget. Right now we are working to comply with some new costly State and Federal regulations with a plant that is over 30 years old. The Board has no problem reviewing the salaries and benefits packages, but also we have had comparative salary surveys done. Turn-over in our line of work is not necessarily the best thing. We have a lot of corporate knowledge with some of our employees who have been here many years. They have the knowledge of the lines that would take years to train someone new. The Board will review these issues.

9. REVIEW AND APPROVAL OF PROPERTY & LIABILITY INSURANCE RENEWAL

Darrell Child with Olympus Insurance was welcomed into the meeting.

Darrell discussed some of the District's plan coverages. Typically every three to five years, Olympus Insurance goes out and gets quotes from different insurance markets that specialize in water and wastewater companies to get the best pricing for our needs. This was done this year with about four or five underwriters. The current insurer for the District is Allied World and it is being recommended that the District stay with them as their premium is the lowest of those who quoted. A discussion was then had on earthquake insurance which the Board declined.

9. REVIEW AND APPROVAL OF PROPERTY & LIABILITY INSURANCE RENEWAL (CONTINUED)

After review and discussion, motion to approve the property and liability insurance renewal with our current provider 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.

10. MANAGER'S REPORT

A. PERSONNEL REVIEW

No employee anniversaries are in November and all employees are doing a good job. Manager Eppich stated our newest employee Troy Brereton, who has been with us for three or four months has been doing a good job. Ray has recommended he come off probation, which Manager Eppich has approved. We will be looking to replace a new hire that left us after a few weeks. We hope to hire someone new in March of next year.

B. OPERATIONS REPORT

1. UPDATE ON CAPITAL PROJECTS

Engineer Ayala discussed the progress on a few of the projects. The CIPP project is done and everything went well. We will research to see if it is possible to bid the project out for maybe a three - five year project. The painting of the buildings is done and looks great. We are expecting the shipment of the doors for the back building in a couple of weeks. The roofing project in the back building is underway and should be complete in about a week. The air conditioning unit in that building has been replaced as well. One last project is the teller window. As you may recall the unit is pulling from the exterior wall. We had Arnell West take a look at it and they suggested hiring a structural engineer. We have Bowen & Collins coming in to assess whether there are structural problems.

C. UTAH ASSOCIATION OF SPECIAL DISTRICTS CONFERENCE

Conference registrations are complete according to what sessions everyone wanted to attend. The agenda was provided for the Board to review.

D. REVIEW OF WEFTEC CONFERENCE

Both Manager Eppich and Engineer Ayala attended the conference. They felt that it was a good conference with good information but some of the content is repetitive. Manager Eppich stated he has put the Collections Conference in the budget for next year.

E. WEAU MID-YEAR CONFERENCE

Karl Faulkner and Darren Stone will be doing a presentation of the District's web-based GIS management system at the conference. Manager Eppich then asked if anyone would like to attend this conference to let us know so we can make arrangements.

11. INFORMATION ITEMS (NO ACTION REQUIRED)

John Geilmann from Millcreek City came in and asked if the Board could come to their next city council meeting on Monday, October 23, 2017 at 7:00 p.m. They would like to recognize the District by making October 23rd "Mt Olympus Improvement Day". There will be some type of resolution or pronouncement.

A. DISTRICT ACTIVITY REPORTS

Copies of the District's activity reports were provided for Board review. Trustee Norton stated that he noticed TV inspections were down but cleanings were up. Manager Eppich stated that one of the TV trucks was down and getting fixed.

B. UTAH PUBLIC TREASURER'S POOL YIELD

The Utah Public Treasurer's Pool Yield for September 2017 has increased from 1.059% to 1.528%.

C. CENTRAL VALLEY FLOW & LOAD REPORT

A copy of the August Central Valley Flow & Load Report was provided for Board review. Flows were at approximately 13.5 MGD.

D. ANNUAL GRANITE SCHOOL DISTRICT BILLING FOR SEWER FEES

The annual Granite School District billing was prepared for a total of \$55,626 for the 2016-2017 school year. The bill is higher this year due to the rate increase.

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 11:36 a.m.

Ami Neff, Board Chair