

**BOARD MEETING
MAY 16, 2018
9:00 A.M.
MT. OLYMPUS IMPROVEMENT DISTRICT
3932 SOUTH 500 EAST**

SUMMARY

- 1. WELCOME AND INTRODUCTIONS**
- 2. MINUTES OF BOARD MEETING – APRIL 25, 2018**
- 3. DISCUSSION, APPOINTMENT AND POSSIBLE SWEARING IN OF INDIVIDUAL TO FILL BOARD VACANCY**
- 4. PRESENTATION OF PRELIMINARY AUDIT REPORT FOR THE YEAR ENDED DECEMBER 31, 2017 BY HUBER ERICKSON & BOWMAN, CERTIFIED PUBLIC ACCOUNTANTS**
- 5. UPDATE ON UDOT DISCUSSIONS AND POSSIBLE APPROVAL OF UDOT CONTRACTS**
- 6. FINANCIAL INFORMATION**
 - A. REVIEW MT. OLYMPUS PAYABLES AND DISBURSEMENTS**
 - B. REVIEW CENTRAL VALLEY INVOICE(S)**
 - C. REVIEW FINANCIAL REPORT**
- 7. CENTRAL VALLEY REPORT – JOHN NORTON**
 - A. ENTITY MANAGERS MEETING REPORT**
- 8. REVIEW OF UTAH ASSOCIATION OF SPECIAL DISTRICTS 2018 LEGISLATIVE BILL REVIEW**
- 9. MANAGER’S REPORT**
 - A. PERSONNEL REVIEW**
 - B. OPERATIONS REPORT**
 - 1. UPDATE ON DAILY’S PREMIUM MEATS**
 - 2. REVIEW OF ACCOUNT #22.1816.00 – RICK HUBBLE – REQUEST TO NOT PAY SEWER BILL**
 - 3. UPDATE ON COTTONWOOD MALL REDEVELOPMENT**
 - C. NATIONAL GFOA CONFERENCE REPORT**
 - D. WEFTEC CONFERENCE UPDATE**
- 10. INFORMATION ITEMS (NO ACTION REQUIRED)**
 - A. DISTRICT ACTIVITY REPORTS**
 - B. CENTRAL VALLEY FLOW & LOAD REPORT**
 - C. UTAH PUBLIC TREASURER’S POOL YIELD**

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

GUESTS: MARK HACKER AND PHIL COLLINS OF HUBER ERICKSON & BOWMAN
WALLACE FELSTED, DISTRICT COUNSEL

PRESIDING: CHAIR, AMI NEFF

1. WELCOME AND INTRODUCTIONS

Welcome and introductions were done.

2. MINUTES OF BOARD MEETING – APRIL 25, 2018

Motion to approve the April 25, 2018 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 and Ami Neff.

3. DISCUSSION, APPOINTMENT AND POSSIBLE SWEARING IN OF INDIVIDUAL TO FILL BOARD VACANCY

There is the need to fill a board vacancy due to the passing of Trustee Mel Mackay.

We received only one letter of interest and it was from Giles Demke. Trustee Neff stated she had hoped we would have received more applications. After reviewing the supplied information from Mr. Demke, the Board feels he has the qualifications and experience for the position. It was decided that Trustee Neff would get in touch with Mr. Demke to make sure he will be able to attend the board meetings each month and discuss his commitment to the obligations of the trustee position.

4. PRESENTATION OF PRELIMINARY AUDIT REPORT FOR THE YEAR ENDED DECEMBER 31, 2017 BY HUBER ERICKSON & BOWMAN, CERTIFIED PUBLIC ACCOUNTANTS

At 9:06 a.m. Mark Hacker and Phil Collins, with Huber Erickson & Bowman were welcomed into the meeting.

Copies of the preliminary audit report were provided to Board Members for their review. Mr. Collins voiced appreciation to Mr. Rohwer, Manager Eppich and office staff for their assistance in helping them expedite the audit. Mr. Collins stated that the first report in the audit package is the audit report and that it is a clean or unqualified report. He then went over the MD&A which is a narrative of the District's operations and financial analysis. It is put together by management and is reviewed but not audited. Mr. Collins then reviewed the remainder of the audit and the other reports.

The District is in compliance, in all material respects, with general compliance requirements as reported in the State Legal Compliance report and with internal controls as reported in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.

Management will do a final review and then the audit will be presented at the next board meeting for final approval.

5. UPDATE ON UDOT DISCUSSIONS AND POSSIBLE APPROVAL OF UDOT CONTRACTS

Wallace Felsted (Wally), District Counsel gave the Board a little background regarding the contract we are working on with UDOT. They are requiring the District to sign a new job specific contract, but Wally let them know we are against that and would like to use the previous contract from a number of years ago. UDOT is not willing to use the old contract and insists on a new contract. Wally feels that after some changes to the new contract, it's a contract we could live with. After much discussion, it was decided that we should sign the contract, with the changes that have been made.

6. FINANCIAL INFORMATION

A. REVIEW MT. OLYMPUS PAYABLES AND DISBURSEMENTS

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

B. REVIEW CENTRAL VALLEY INVOICE(S)

After review and discussion, motion to approve the Central Valley Invoices 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 and Ami Neff.

C. REVIEW FINANCIAL REPORT

After review and discussion the Financial Report was accepted for filing by Board Members. Controller Rohwer then discussed the provided charts and graphs.

7. CENTRAL VALLEY REPORT – JOHN NORTON

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

- ***New Controller*** – Trustee Norton stated that Michael Lee is the new Controller at Central Valley. He presented the quarterly financial report to the Board.
- ***Procurement Policy*** – There is a draft procurement policy in the works. They plan to have a draft in place by end of May and hope to adopt the code at the June board meeting.
- ***Capital Projects*** – Approved was a task order for seismic upgrades in the power generation building to Alder Construction for \$600,000. There was also an upgrade to the secondary clarifiers for the new clarifier tanks and pads for the siloxane tanks for the gas management portion of the engine generators.
- ***Retirement Committee Fund*** – The semi-annual Retirement Committee report show that the funds performed fairly well with the average rate of return of about 18 percent on their \$25 million retirement pool. Several funds are on a watch list for nonperformance. They have a goal to have the funds be in the upper 50 percentile over the next 3 to 5 years. The funds on the watch list represent 2.5 percent of the total funds.

7. CENTRAL VALLEY REPORT – JOHN NORTON (CONTINUED)

- *Cash Flow Issues* – Towards the end of 2017 Central Valley ran into cash flow problems. They discussed creating a reserve pool for their cash flow issues which would be done on a trial basis. Legal counsel advised that keeping revenues would cause changes that would need to be made to the Interlocal Agreement. Central Valley is also invoicing twice a month to help with the cash flow problem which also causes a change that needs to be made to the Interlocal Agreement.
- *State Loan* – Phil Heck gave an update on the state loan. They made a pitch to The Water Quality Board at the WEAU conference. They are pursuing a \$60 million loan with a 1.5 percent interest rate, but are considering asking for monies up to \$70 million. They should know the outcome within three to four months.
- *Wasatch Water Quality Council* – Mark Katter does the finances at South Davis Sewer District. It has been asked that the council look at opening their own bank account so accounting issues can be separated.

A. ENTITY MANAGERS MEETING REPORT

Manager Eppich stated the same items were discussed at the Managers meeting.

8. REVIEW OF UTAH ASSOCIATION OF SPECIAL DISTRICTS 2018 LEGISLATIVE BILL REVIEW

Manager Eppich stated that most of the bills listed were discussed during the legislative session. The main item discussed is the entity registration bill, which we have until July 2019 to complete.

9. MANAGER’S REPORT

A. PERSONNEL REVIEW

Manager Eppich reported that the following employees will have an anniversary in June:

- Paul Silcox’s anniversary is on June 30th. He has been here 21 years.
- Zack Stevens’ anniversary is on June 30th. He has been here 21 years.

Both are doing a good job.

B. OPERATIONS REPORT

1. UPDATE ON DAILY’S PREMIUM MEATS

Daily’s is remaining within the flow and load parameters that they have paid for. We have not received the May report from them yet but Dean will be going to visit them to see what progress they are making.

9. MANAGER’S REPORT (CONTINUED)

2. REVIEW OF ACCOUNT #22.1816.00 – RICK HUBBLE – REQUEST TO NOT PAY SEWER BILL

As you may recall Rick Hubble sent in a request to not have to pay his sewer bill due to his water being turned off. Engineer Ayala did some research and contacted South Salt Lake Water and they stated they turned his water back-on at the end of last month. At this point we won’t be doing anything on this account, however if he calls or requests anything further we will write him stating that he isn’t entitled to any credit and will be billed as normal.

3. UPDATE ON COTTONWOOD MALL REDEVELOPMENT

Engineer Ayala stated that Ivory Development has reduced their density projections for the project which pleased the city of Holladay. The project engineer got back to Dean to say they are assuming a peak rate of flow of 2 times the average flow rate. We feel we can handle their flows and based on the information they provided they will have approximately 1,400 REs.

C. NATIONAL GFOA CONFERENCE REPORT

Manager Eppich and Controller Rohwer attended the conference. Both felt it was a very good conference on the business and accounting side.

D. WEFTEC CONFERENCE UPDATE

Hotel reservations for Kerry, John and Dean have been done. Manager Eppich will get back to the board with updated information on registrations and flights.

10. INFORMATION ITEMS (NO ACTION REQUIRED)

A. DISTRICT ACTIVITY REPORTS

Copies of the District’s activity reports were provided for Board review.

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 YIEL

The Utah Public Treasurer’s Pool Yield for April 2018 was 2.17%.

With no further business 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: John Norton and Ami Neff.

The meeting adjourned at 10:49 a.m.

Ami Neff, Board Chair