

**BOARD MEETING
JUNE 20, 2018
9:00 A.M.
MT. OLYMPUS IMPROVEMENT DISTRICT
3932 SOUTH 500 EAST**

SUMMARY

- 1. WELCOME AND INTRODUCTIONS**
- 2. MINUTES OF BOARD MEETING – MAY 16, 2018**
- 3. FINANCIAL INFORMATION**
 - A. REVIEW MT. OLYMPUS PAYABLES AND DISBURSEMENTS**
 - B. REVIEW CENTRAL VALLEY INVOICE(S)**
 - C. REVIEW FINANCIAL REPORT**
 - D. APPROVAL OF STATE TREASURER’S RESOLUTION FOR THE PTIF ACCOUNTS**
- 4. DISCUSSION, APPOINTMENT AND POSSIBLE SWEARING IN OF INDIVIDUAL TO FILL BOARD VACANCY**
- 5. CENTRAL VALLEY REPORT**
 - A. DISCUSSION AND APPROVAL OF INTERLOCAL AGREEMENT AMENDMENT**
 - B. DISCUSSION AND APPROVAL OF CENTRAL VALLEY’S CASH ACCOUNT POLICY AMENDMENT**
- 6. APPROVAL OF FINAL AUDIT REPORT FOR THE YEAR ENDED DECEMBER 31, 2017 BY HUBER ERICKSON & BOWMAN, CERTIFIED PUBLIC ACCOUNTANTS**
- 7. CONSIDERATION, APPROVAL AND ADOPTION OF 2018 TAX RATE**
- 8. CONSIDERATION AND APPROVAL OF AMENDING PROPERTY TAX REVENUES AND THE 2018 BUDGET**
- 9. CONFIRMATION OF DATES AND TIMES FOR 2019 BUDGET PROCESS, BUDGET HEARING AND BUDGET APPROVAL**
- 10. POSSIBLE CLOSED SESSION TO DISCUSS THE PURCHASE, EXCHANGE, LEASE, OR SALE OF REAL PROPERTY**
- 11. MANAGER’S REPORT**
 - A. PERSONNEL REVIEW**
 - B. OPERATIONS REPORT**
 - 1. UPDATE ON UDOT DISCUSSIONS AND AGREEMENTS**
 - 2. UPDATE ON CAPITAL PROJECTS**
 - C. WATER FINANCE CONFERENCE UPDATE**
 - D. WEFTEC CONFERENCE UPDATE**
- 12. 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**

POTENTIAL NEW BOARD MEMBER: GILES DEMKE

PRESIDING: CHAIR, AMI NEFF

1. WELCOME AND INTRODUCTIONS

Welcome and introductions were done.

2. MINUTES OF BOARD MEETING – MAY 16, 2018

Motion to approve the May 16, 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. 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 some of the charts and graphs.

D. APPROVAL OF STATE TREASURER'S RESOLUTION FOR THE PTIF ACCOUNTS

After review and discussion motion to approve the attached State Treasurer's Resolution for the PTIF Accounts 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.

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

Due to the passing of Mel Mackay there is a need to fill the board vacancy. After fulfilling the legal requirement of posting a notice, there was one individual interested in the board position: Giles Demke.

After review and discussion of the candidate's letter of interest, motion to approve Giles Demke as the new board member to fill the board vacancy 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.

Tammy Gonzales, District Clerk, administered the Oath of Office to newly appointed board member, Giles Demke. The Oath of Office was then signed and will be mailed to the County Clerk.

5. CENTRAL VALLEY REPORT

Manager Eppich reported that the following was discussed at the last Central Valley board meeting:

- ***Capital Projects Update:***
 - ***Generator Replacement*** – Most of the work performed last month related to the gas treatment system and is still progressing.
 - ***Secondary Clarifiers*** – Work on the secondary clarifiers continues with dewatering wells that have had pumps installed.
 - ***Co-Gen Seismic Upgrades*** – Alder Construction has begun tearing down the inside of the building. The co-gen system was shut down for a short time so compressed air lines could be cut and new valves installed. The new power gen back-up generators were used for the first time and they worked great.
- ***Water Quality Board for State Loan*** – As you may recall Central Valley had initially requested a loan for \$60 million but has since asked to increase the loan up to \$80 million. South Salt Lake asked to increase their portion of the loan to \$7.7 million.
- ***PLC Platform Vendor Approval*** – After reviewing several vendors Schneider Electric Modicon was selected to perform the PLC platform work due to their scoring. Although there have been issues with Modicon in the past they still feel they are the best fit. The 15 year bid was estimated at \$700,000.
- ***Fairfield Property Water Lease*** – A couple weeks ago Central Valley was contacted by Hansen, Allen and Luce who have a client that would like to lease two acre feet of water for dust suppression and compaction. Mr. Holstrom will work with Hansen, Allen and Luce to pursue the lease.
- ***Procurement Policy*** – The latest Procurement Policy was sent to the State for review. The Board suggested preference to vendors who provide employee health insurance and have good safety programs.
- ***Interlocal Agreement Amendment*** – A change to the Interlocal Agreement will allow revenue retention and show it being reflected under “Cash and Cash Equivalents”. Wording will change from “fund” to “cash account”. The Amendment will also state that Central Valley may bill more than once a month. It was suggested that the amount of operational cash flow be tied to a 90 day cash operational amount.

A. DISCUSSION AND APPROVAL OF INTERLOCAL AGREEMENT AMENDMENT

After review and discussion, motion to approve the Interlocal Agreement Amendment and to give Trustee John Norton the approval to accept the Amendment at the next Central Valley board 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, Giles Demke and Ami Neff.

5. CENTRAL VALLEY REPORT (CONTINUED)

B. DISCUSSION AND APPROVAL OF CENTRAL VALLEY'S CASH ACCOUNT POLICY AMENDMENT

After review and discussion, motion to have Trustee John Norton approve the concept of Central Valley's Cash Account Policy Amendment with details to be worked on. Trustee Norton felt there should not be an amount stated in the Amendment but approval of the formula 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, Giles Demke and Ami Neff.

6. APPROVAL OF FINAL AUDIT REPORT FOR THE YEAR ENDED DECEMBER 31, 2017 BY HUBER ERICKSON AND BOWMAN, CERTIFIED PUBLIC ACCOUNTANTS

Copies of the final 2017 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 year ended December 31, 2017 by Huber Erickson and Bowman 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, Giles Demke, and Ami Neff.

7. CONSIDERATION, APPROVAL AND ADOPTION OF 2018 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 .000279.

After review and discussion, motion to approve the 2018 Tax Rate of .000279, matching the certified rate, 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, Giles Demke and Ami Neff.

8. CONSIDERATION AND APPROVAL OF AMENDING PROPERTY TAX REVENUES AND THE 2018 BUDGET

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

RESOLUTION #18-062018-1

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 .000279 which will generate tax revenue of \$2,846,842 be adopted and approved and that the 2018 Budget be amended to reflect the effect of this adoption as follows:

8. CONSIDERATION AND APPROVAL OF AMENDING PROPERTY TAX REVENUES AND THE 2018 BUDGET (CONTINUED)

ACCOUNT NUMBER	ITEM	PRIOR AMOUNT	NEW AMOUNT	DIFFERENCE DEBIT/(CREDIT)
3035	Taxes O & M	\$2,772,991	\$2,849,837	\$ (50,378)
3037	Increase Fee in Lieu Revenue	152,694	148,282	(4,412)
3036	Increase Tax Collections Fee	65,000	74,238	(9,238)
3038	Increase RDA Revenue	62,899	42,033	(20,866)
4515	Increase RDA Expense	62,899	42,033	20,866
4425	Increase in Legal Fees	79,000	121,000	(42,000)
4486	Increase in Ground Maintenance	18,631	23,870	(5,239)
4660	Increase Nose on Expense	4,645	6,000	(1,355)
4680	Increase Blue Stake Expense	9,890	16,500	(6,610)

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

9. CONFIRMATION OF DATES AND TIMES FOR 2019 BUDGET PROCESS, BUDGET HEARING AND BUDGET APPROVAL

A copy of the 2019 Budget schedule was provided for Board review. The 2019 Tentative Budget is set for October 17, 2018 at 9:00 a.m. The 2019 Budget Hearing date is set for November 14, 2018, at 6:00 p.m. The date for final Budget Approval is set for December 12, 2018 at 9:00 a.m.

After review and discussion, motion to approve the dates and times for the 2019 budget process, hearing and approval 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.

10. POSSIBLE CLOSED SESSION TO DISCUSS THE PURCHASE, EXCHANGE, LEASE, OR SALE OF REAL PROPERTY

At this time no closed meeting was necessary. A discussion was then had on South Salt Lake City potentially asking for our district to take over their sewer system.

11. MANAGER'S REPORT

A. PERSONNEL REVIEW

Manager Eppich reported that the following employees will have their anniversary in July:

Steven Mihlfeith's anniversary is on July 14th. He will have been with the District for 21 years.

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

Dean Ayala's anniversary is on July 7th. He will have been with the District for 3 years.

Troy Brereton anniversary is on July 17th. He will have been with the District for 1 year.

All are doing a good job.

11. MANAGER’S REPORT (CONTINUED)

B. OPERATIONS REPORT

1. UPDATE ON UDOT DISCUSSIONS AND AGREEMENTS

Last month you may recall we received and signed a contract from UDOT for the I-15 project. After various discussions with them we now have a supplemental agreement for the TVing of the lines before and after the project that works for both parties.

After review and discussion, motion to approve the UDOT Agreement was made by Trustee John Norton and seconded by Trustee Giles Demke. The motion was approved by unanimous vote, those voting in favor: John Norton, Giles Demke, and Ami Neff.

2. UPDATE ON CAPITAL PROJECTS

Manager Eppich stated we have in the budget to crack seal and slurry the front parking lot and also to look into options for the paving of the backyard lot. After researching options for the backyard lot, it has been determined that paving is the best option. This will cost approximately \$50,000 which is within the budgeted amount.

After review and discussion, motion to approve the R Tanner bid of paving and resealing both lots 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, Giles Demke, and Ami Neff.

The drive up window issue was then discussed. We had a second structural engineer come and inspect the drive up window. He stated he feels it has to do with the beams shifting. We put into the budget to have a structural engineering company come in and take a look at the building and maybe change the flow and upgrade the building.

C. WATER FINANCE CONFERENCE UPDATE

Manager Eppich stated that both Stephen and he will attend the Water Finance Conference in Washington, DC in August. This conference focuses on rates and accounting for both water and wastewater.

D. WEFTEC CONFERENCE UPDATE

Manager Eppich, Engineer Ayala and Trustee Norton are scheduled to attend the conference this year. Hotel reservations and registrations have been done. Manager Eppich asked Trustee Demke if he would be interested in attending the conference. Trustee Demke stated he is going and maybe we could split the cost with Orem City. Each will do their own airfare.

12. 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

Copies of the Central Valley Flow & Load Reports for April were provided for Board review. Flows reached as high as 14.38 MGD.

C. UTAH PUBLIC TREASURER'S POOL YIELD

The Utah Public Treasurer's Pool Yield for May 2018 was 2.31%.

District Clerk, Tammy Gonzales stated that this year's Lagoon summer party is scheduled for Friday, August 3, 2018. A suggested location for the 2018 Christmas dinner is the Desert Star Playhouse located at 4861 South State St. in Murray. The suggested date for the dinner is December 6, 2018 and Tammy will make the reservation.

With no further information to come before the Board, motion to adjourn was made by Trustee John Norton and seconded by Trustee Giles Demke. The motion was approved by unanimous vote, those voting in favor: John Norton, Giles Demke, and Ami Neff.

The meeting adjourned at 10:54 a.m.

Ami Neff, Board Chair