

**BOARD MEETING
AUGUST 15, 2018
9:00 A.M.
MT. OLYMPUS IMPROVEMENT DISTRICT
3932 SOUTH 500 EAST**

SUMMARY

- 1. WELCOME AND INTRODUCTIONS**
- 2. MINUTES OF BOARD MEETING – JUNE 20, 2018**
- 3. FINANCIAL INFORMATION**
 - A. REVIEW AND APPROVAL OF RESOLUTION CHANGING ZIONS BANK ACCOUNTS AUTHORIZED SIGNATORIES DUE TO THE BOARD MEMBER CHANGE**
 - B. REVIEW MT. OLYMPUS PAYABLES AND DISBURSEMENTS**
 - C. REVIEW CENTRAL VALLEY INVOICE(S)**
 - D. REVIEW FINANCIAL REPORT**
- 4. CENTRAL VALLEY REPORT – JOHN NORTON**
 - A. DISCUSSION AND APPROVAL OF RESOLUTION APPROVING THE FIRST AMENDMENT TO THE JANUARY 1, 2017 AMENDED AND RESTATED INTERLOCAL AGREEMENT AND CENTRAL VALLEY POLICY AMENDMENT**
 - B. MEMBER ENTITY MANAGER’S MEETING REPORT**
- 5. MATT DUGDALE – REVIEW OF UPDATED FINANCIAL MODEL**
- 6. LEGISLATION UPDATE**
- 7. MANAGER’S REPORT**
 - A. PERSONNEL REVIEW**
 - B. OPERATIONS REPORT**
 - 1. DISCUSSION OF DAILY’S PREMIUM MEATS**
 - 2. UPDATE ON LINING PROJECT**
 - C. CERTIFICATIONS**
- 8. 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
GILES DEMKE, TRUSTEE
KERRY EPPICH, GENERAL MANAGER
STEPHEN ROHWER, DISTRICT CONTROLLER
TAMMY GONZALES, EXECUTIVE SECRETARY/DISTRICT CLERK

PRESIDING: CHAIR, AMI NEFF

GUESTS: MATT DUGDALE, GEORGE K BAUM
WALLACE FELSTED, KIRTON & MCCONKIE
CINDIE FOOTE, CENTRAL VALLEY

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1. WELCOME AND INTRODUCTIONS

Welcome and introductions were done.

2. MINUTES OF BOARD MEETING – JUNE 20, 2018

Motion to approve the June 20, 2018 Board Meeting minutes, as written, 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.

3. FINANCIAL INFORMATION

A. REVIEW AND APPROVAL OF RESOLUTION CHANGING ZIONS BANK ACCOUNTS AUTHORIZED SIGNATORIES DUE TO THE BOARD MEMBER CHANGE

RESOLUTION #18-081518-1

As a result of the change in the Board of Trustees of Mt. Olympus Improvement District it is resolved that signature cards for the accounts at Zions First National Bank be amended to reflect such change, and that until this authority is revoked to said bank of such action by the Board of Trustees of the District, any two of the following named persons are hereby authorized to sign checks, drafts, withdrawal orders, and bills of exchange for and on behalf of the District:

John Norton, Ami Neff, Giles Demke, Kerry S. Eppich

Motion to approve the Resolution to Change Zions Bank Accounts Authorized Signatories 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.

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

C. REVIEW CENTRAL VALLEY INVOICE(S)

After review and discussion, motion to approve the Central Valley Invoice(s) 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.

D. 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.

4. CENTRAL VALLEY REPORT

Trustee Norton reported on the highlights of the June Central Valley board meeting:

- ***Back-up Generator Bid*** – Smith Power was awarded the bid to replace the existing headworks for the back-up generators (2) at a cost of approximately \$360,000.
- ***Power Generation Building Seismic Upgrades and Tunnel Extension*** – Approved was the tunnel extension to the building at a cost of approximately \$1 million.
- ***Skyline Electric Job Order*** – Approved was the order to Skyline Electric for the installation of the main switch gear in the power-gen building.
- ***Resolution Authorizing Access to PTIF Accounts*** – A Resolution was approved which authorizes specific individual's access to the PTIF accounts: Justin Zollinger, Tom Holstrom, and Michael Lee.
- ***Amendment to Interlocal Agreement*** – Approved was the First Amendment to the Interlocal Agreement and also the cash policy amendment which states that the Board will review the amount in the cash account each year and compute the recommended cash needed.
- ***Approval of Water Lease*** – A water lease with Intermountain Regional Landfill was approved. Central Valley has approximately nine acre feet of water rights near Fairfield, Utah. Intermountain will use this for dust suppression and compaction.
- ***State Revolving Fund Loan*** – The amount of the loan they are asking for is \$80 million. South Salt Lake is also asking for a grant/loan at \$7.6 million.
- ***Compensation Committee*** – A Compensation Committee has been formed to review the employee handbook and drug and alcohol policies.
- ***Purchasing Policy*** – Also approved was an update to the purchasing policy that included suggestions from entity managers, legal counsel and the Board.

Topics in July that were discussed:

- ***Influent Channel Rehab*** – A presentation was given showing the 60 inch pipe slip lining being done at 3900 South 700 West.
- ***Engine Generator*** – The final engine generator was received. They are waiting for the switchgear that goes with the engines.
- ***Co-Gen Seismic Upgrades*** – The seismic upgrades are almost complete.
- ***Power Generation Tunnel*** – The work for the tunnel has started.
- ***Awarded Contract for the Granger-Hunter Siphon Rehabilitation Project*** – The contract for the Granger-Hunter Siphon Rehab Project was awarded to Albuquerque Underground Inc. This project is over-budget.
- ***Employee Handbook, Drug & Alcohol Policy, and the DOT Drug Testing Policy*** – The Employee Handbook, the Drug & Alcohol Policy and the DOT Drug Testing Policy were approved.
- ***Interlocal Agreement*** – The Interlocal Agreement was then discussed in detail including the process to get the Agreement signed by each entity.

4. CENTRAL VALLEY REPORT (CONTINUED)

A. DISCUSSION AND APPROVAL OF RESOLUTION APPROVING THE FIRST AMENDMENT TO THE JANUARY 1, 2017 AMENDED AND RESTATED INTERLOCAL AGREEMENT AND CENTRAL VALLEY POLICY AMENDMENT

RESOLUTION #18-081518-2

RESOLUTION APPROVING THE FIRST AMENDMENT TO THE JANUARY 1, 2017 AMENDED AND RESTATED INTERLOCAL AGREEMENT AND CENTRAL VALLEY POLICY AMENDMENT

WHEREAS, Mt. Olympus Improvement District (the “District”) is one of the member entities (the “Member Entities”) of Central Valley Water Reclamation Facility, a regional governmental entity (“Central Valley”).

WHEREAS, on or about January 1, 2017, in conformance with the requirements of the Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code, the Member Entities entered into the Central Valley Water Reclamation Facility Amended and Restated Interlocal Agreement (the “Amended and Restated Agreement”), which consists of a complete amendment and restatement of the “Original Agreement,” as said term is defined in the Amended and Restated Agreement.

WHEREAS, Central Valley proposed various amendments to the Amended and Restated Agreement and amendments to Chapter 4, Section 4.6 of the Central Valley Policy (“Section 4.6”) pertaining to revenue from outside sources and the Central Valley Cash Account in order to better deal with, manage, and account for revenue from third parties and Central Valley’s cash flows. Copies of the Central Valley Water Reclamation Facility First Amendment to Amended and Restated Interlocal Agreement (the “Amendment to Interlocal Agreement”) and Central Valley Policy Amendment (the “Policy Amendment”) are attached hereto as Exhibit A and Exhibit B, respectively and are incorporated herein by reference.

WHEREAS, the Member Entities approved or will approve the Amendment to Interlocal Agreement and the Policy Amendment by a resolution and all other appropriate action.

WHEREAS, it is necessary to amend the Amended and Restated Agreement and Section 4.6.

WHEREAS, pursuant to proper notice to the customers of the District, the Board of Trustees of the District (the “Board”) held a public meeting on August 15, 2018, at 9:00 A.M. at the District’s offices and heard public comment from all present at said meeting with respect to the proposed Amendment to Interlocal Agreement and the proposed Policy Amendment.

WHEREAS, on said date the Board considered the public comment on the said proposals and voted on the proposals and the Board voted unanimously at said meeting in favor of the proposals.

4. CENTRAL VALLEY REPORT (CONTINUED)

A. DISCUSSION AND APPROVAL OF RESOLUTION APPROVING THE FIRST AMENDMENT TO THE JANUARY 1, 2017 AMENDED AND RESTATED INTERLOCAL AGREEMENT AND CENTRAL VALLEY POLICY AMENDMENT (CONTINUED)

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF MT OLYMPUS IMPROVEMENT DISTRICT AS FOLLOWS:

The District is authorized and shall enter into that certain Central Valley Water Reclamation Facility First Amendment to Amended and restated Interlocal Agreement, effective August 15, 2018, a copy of which is attached hereto as Exhibit A. The Board hereby approves the Central Valley Policy Amendment which is attached here to as Exhibit B. The Board hereby ratifies and approves all actions taken to date consistent herewith and authorizes the Chair of the District's Board and the District's Legal Counsel to take all actions as may be necessary or advisable to effectuate this Resolution.

ADOPTED AND APPROVED by the Board of Trustees of Mt Olympus Improvement District as Resolution No. 18-081518-2 this 15th day of August, 2018.

MT OLYMPUS IMPROVEMENT DISTRICT

By: _____
Its: Chair

ATTEST:

Clerk

After review and discussion, motion to approve the Resolution Approving the First Amendment to the January 1, 2017 Amended and Restated Interlocal Agreement and Central Valley Policy Amendment 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 Amendment was then signed by Chair Ami Neff, District Clerk Tammy Gonzales, and District Attorney Wallace Felsted.

B. MEMBER ENTITY MANAGER'S MEETING REPORT

Manager Eppich reported on the topics discussed at the Manager's meeting.

- ***Tour of the Great Salt Lake*** – On September 6, 2018 they are having a tour of the Great Salt Lake. They have invited several legislators however, they are not inviting the Water Quality Board or staff to this event and they are not happy with this.
- ***September Board Meeting*** – September 26, 2018 is the scheduled board meeting and they are planning a tour of the plant starting at 10:00 a.m. All Board members are invited. The board meeting will be held at approximately 1:00 p.m. after the tour is concluded.

5. MATT DUGDALE – REVIEW OF UPDATED FINANCIAL MODEL

The Board welcomed Matt Dugdale. Matt handed out a financial planning model showing the District's cash position. This model shows projections out for 12 years (2030). It shows historical amounts, revenue growth, expenditure growth, as well as Central Valley's projected expenses for the remainder of 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 \$1.00 increase vs. a \$2.00 increase and how the cash position of the District is affected. Trustee Norton asked Matt to expand the model to show predicted inflation.

6. LEGISLATION UPDATE

Manager Eppich stated here is one Bill that we have been watching closely that failed last year. H.B. 455 – this Bill modifies a provision relating to the damage of underground utilities facilities. It provides limits on an operator's claim against an excavator for damages to underground utility facilities resulting from the excavator's violation of requirements related to excavation involving underground utility facilities; and requires an operator to give notice to an excavator and an opportunity to cure a violation before the operator may sue the excavator or initiate an arbitration seeking compensation for damage arising from the excavator's violation. Districts do not like this Bill and are working with the Association of Special Districts to defeat or significantly amend the Bill.

7. MANAGER'S REPORT

A. PERSONNEL REVIEW

We have two employees that have anniversary dates in August and two employees that have anniversary dates in September:

- Stephen Rohwer's anniversary was on August 15th. He has been with the District for 13 years.
- Kevin Cleverly's anniversary is on August 23rd. He has been with the District for 12 years.
- Tammy Gonzales' anniversary is on September 27th. She has been with the District for 12 years.
- Jeff Eddington's anniversary is on September 28th. He has been with the District for 20 years.

All are doing a good job.

7. MANAGER'S REPORT (CONTINUED)

B. OPERATIONS REPORT

1. DISCUSSION OF DAILY'S PREMIUM MEATS

Engineer Ayala gave an update on Daily's Premium Meats. After meeting with Daily's it appears they are planning another building expansion to meet their needs. This will create a need for them to retrofit the plant. They are working on their DAF system and are also looking at installing an equalization tank. Their monitoring numbers are up at this time which they say is normal for the summer months. As you may recall we sent them a bill in February for the amount they were over for the fall/winter of last year. We will be working on a new RE requirement for them and hope to have the number for the Board at the October board meeting.

2. UPDATE ON LINING PROJECT

The lining project is coming up. PEC is the contractor doing the work and will start the project next week and will be lining approximately 17,000 feet. We anticipate them being done by the end of October. PEC asked if they could piggy-back this project with next year's lining project. This will have to be looked at since it will require amending the budget.

C. CERTIFICATIONS

We will send the certification file to the County on September 1, 2018.

8. INFORMATION ITEMS (NO ACTION REQUIRED)

Included in the board books was an article regarding Truth-in-Taxation for Board review.

A. DISTRICT ACTIVITY REPORTS

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

Reports for the month of June were also included in the board books.

B. CENTRAL VALLEY FLOW & LOAD REPORT

A copy of the February Central Valley Flow & Load Report was provided for Board review. Flows are at approximately 13 MGD.

C. UTAH PUBLIC TREASURER'S POOL YIELD

The Utah Public Treasurer's Pool Yield for June 2018 was 2.466%.

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With no further information to come before the Board, motion to adjourn the meeting 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 10:45 a.m.

Ami Neff, Board Chair