

**BOARD MEETING
DECEMBER 12, 2018
5:00 P.M.
MT. OLYMPUS IMPROVEMENT DISTRICT
3932 SOUTH 500 EAST**

- 1. WELCOME AND INTRODUCTIONS**
- 2. MINUTES OF BOARD MEETING AND PUBLIC HEARING – NOVEMBER 14, 2018**
- 3. FINANCIAL INFORMATION**
 - A. REVIEW MT. OLYMPUS PAYABLES AND DISBURSEMENTS**
 - B. REVIEW CENTRAL VALLEY INVOICE(S)**
 - C. REVIEW FINANCIAL REPORT**
 - D. REVIEW OF 2018 CAPITAL BUDGET AND PURCHASES**
 - E. REVIEW AND APPROVAL OF WORKERS COMPENSATION INSURANCE RENEWAL FOR THE YEAR 2019**
 - F. REVIEW AND APPROVAL OF LIFE AND DISABILITY INSURANCE RENEWAL FOR THE YEAR 2019**
- 4. CENTRAL VALLEY REPORT – JOHN NORTON**
 - A. ENTITY MANAGERS MEETING REPORT**
- 5. APPROVAL OF BOARD MEETING DATES FOR THE YEAR 2019**
- 6. ANNUAL REVIEW OF PERSONNEL POLICIES**
- 7. MANAGER’S REPORT**
 - A. PERSONNEL REVIEW**
 - B. OPERATIONS REPORT**
 - 1. UPDATE ON ACCOUNT #13.1508 – DAILY’S PREMIUM MEATS**
 - C. 2019 HOLIDAYS**
 - D. 2019 CONFERENCES**
- 8. INFORMATION ITEMS (NO ACTION REQUIRED)**
 - A. DISTRICT ACTIVITY REPORTS**
 - B. CENTRAL VALLEY FLOW & LOAD REPORT**
 - C. UTAH PUBLIC TREASURER’S POOL YIELD**
- 9. 6:00 P.M. PUBLIC BUDGET AND FEE INCREASE HEARING**
 - A. DISCUSSION AND POSSIBLE AMENDMENT OF THE 2018 BUDGET**
 - B. DISCUSSION OF PROPOSED ENGINEERING AND HOURLY EQUIPMENT RATES**
 - C. DISCUSSION OF PROPOSED FEE INCREASE**
 - D. DISCUSSION OF TENTATIVE 2019 BUDGET**
 - E. PUBLIC COMMENT**
 - F. APPROVAL OF THE AMENDED 2018 BUDGET**
 - G. APPROVAL OF PROPOSED ENGINEERING AND HOURLY EQUIPMENT RATES**
 - H. APPROVAL OF PROPOSED FEE INCREASE**
 - I. APPROVAL OF TENTATIVE 2019 BUDGET**
- 10. POSSIBLE CLOSED SESSION TO DISCUSS PERSONNEL ISSUES AND GENERAL MANAGER REVIEW**

PRESENT: AMI NEFF, CHAIRMAN OF THE BOARD
JOHN NORTON, TRUSTEE
GILES DEMKE, TRUSTEE
KERRY EPPICH, GENERAL MANAGER
STEPHEN ROHWER, CONTROLLER
TAMMY GONZALES, EXECUTIVE SECRETARY/DISTRICT CLERK

GUESTS: MATT DUGDALE, GEORGE K BAUM
DEAN AYALA, DISTRICT ENGINEER

PRESIDING: CHAIR, AMI NEFF

1. WELCOME AND INTRODUCTIONS

Welcome and introductions were done.

2. MINUTES OF BOARD MEETING AND PUBLIC HEARING – NOVEMBER 14, 2018

Motion to approve the November 14, 2018 Board Meeting and Public Hearing 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 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.

B. 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.

C. REVIEW FINANCIAL REPORT

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

D. REVIEW OF 2018 CAPITAL BUDGET AND PURCHASES

A recap of the 2018 Capital Budget was had. At this time we have about \$93,000 left in the budget with \$75,000 of that budget for the rebuild and structural design, of the front office.

E. REVIEW AND APPROVAL OF WORKERS COMPENSATION INSURANCE RENEWAL FOR THE YEAR 2019

As you may recall Darrell Child with Olympus Insurance informed the District that the Workers Compensation insurance renewal from Workers Compensation Fund of Utah was going to have a fairly large increase. A number of bids were requested and the results are as follows:

Workers Compensation Fund of Utah – \$28,886
Liberty Mutual – \$32,633
Utah Local Governments Trust – \$25,053

After review and discussion, motion to approve the bid for Workers Compensation Insurance with Utah Local Governments Trust for the year 2019 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 (CONTINUED)**

F. **REVIEW AND APPROVAL OF LIFE AND DISABILITY INSURANCE RENEWAL FOR THE YEAR 2019**

The District received two bids for the Life, AD&D, Short-term Disability, and Long Term Disability. Lincoln Insurance, the current carrier's bid is \$2,273.17 per month with an increase to \$2,588.18 to make it equivalent with Standard Insurance's program. Their bid is \$1,842.14 per month.

After review and discussion, motion to approve the bid with Standard Insurance Co for Life, AD&D and Disability Insurance Renewal for the year 2019 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.

4. **CENTRAL VALLEY REPORT**

Trustee Norton reported on the last Central Valley Board meeting. Topics of discussion were:

- ***Capital Projects*** –
 - ***Influent Channel Rehabilitation*** – The transition sections are complete and at this time the project is about 85 percent complete.
 - ***Granger-Hunter Siphon Project*** – The pipe lining by the Cultural Celebration Center is almost complete. Currently they are working on the pipe under the Jordan River.
 - ***Power Generation Tunnel*** – Once complete the tunnel extension will connect the power generation building to the future blower building. Pictures were presented showing the shoring for the foundation and the layout of the tunnel and blower building.
 - ***Secondary Clarifiers*** – Progress on Clarifiers 11 and 12 were discussed and are expected to be complete in about two months. Pictures were then shown on Clarifier 11.
 - ***Blend and Equal Tank/Digester No. 3*** – The tank has been sandblasted and coated. Additional seismic studies were done to evaluate the structural soundness of the facility. No additional structural reinforcement is deemed necessary.
 - ***Odor Control Project*** – Work has been started on the flooring and will be poured later this week.
 - ***Nutrient Removal*** – Brown and Caldwell will complete the 60 percent design next month with the 90 percent design by next June and they hope to present to the DWQ by August.
- ***SRS Funds*** – There was another meeting with the DWQ to discuss the SRS funds. There are more fund requests than they have money. South Salt Lake is asking for \$11.4 million which is what is being recommended they get; Provo is asking for \$120 million but its being recommended they get \$77 million; CVWRF is asking for \$80 million but its being recommended they get \$65 million with an interest rate of 1.5 percent.

4. CENTRAL VALLEY REPORT (CONTINUED)

- ***Reclaimed/3 Water Filtration Contract*** – Due to the nutrient removal project the reclaimed water filters will need to be moved. A new building with a new pump station will be built. Three vendors participated in the contract and an RFP was sent out to those three. Aqua Aerobics scored the highest on the evaluation and was the lowest bidder at \$1,238,508.
- ***Pretreatment Ordinance*** – They are working on language for the Pretreatment Ordinance. The document was last updated in 1999. The area of review is the ability to charge fees. Mr. Holstrom stated that they will be bringing back an updated Pretreatment Ordinance for the Board to review and approve.

A. ENTITY MANAGERS MEETING REPORT

Manager Eppich stated they discussed the \$65 million SRS fund (as opposed to the \$80 million) at the meeting. This may require an adjustment to the budget and the long-term financial model.

One other topic that came up was for us to take over the sewer service for South Salt Lake. Manager Eppich stated we will keep the Board updated on this.

5. APPROVAL OF BOARD MEETING DATES FOR THE YEAR 2019

A schedule of the tentative board meeting dates for 2019 was reviewed by the Board. With a few exceptions the board meetings are scheduled to be held on the third Wednesday of each month at 9:00 a.m. at the District offices.

After review and discussion, motion to approve the Board Meeting dates for the year 2019 as amended 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 schedule will be published in the paper as per State law.

6. ANNUAL REVIEW OF PERSONNEL POLICIES

We are required to do an annual review our personnel policy manual and then report to the Board that the manual has been reviewed. Manager Eppich stated that the annual review has been done, and there are a couple of changes that need to be made. There are issues with scheduling leave and how that is being managed. These issues will be addressed and put into policy and brought to the Board for approval.

7. MANAGER'S REPORT

A. PERSONNEL REVIEW

Manager Eppich reported that the following employee will have an anniversary in the next month:

- Neal Stoddard's anniversary is on January 9th. He has been with the District 7 years and is doing a great job.

7. MANAGER’S REPORT (CONTINUED)

B. OPERATIONS REPORT

1. UPDATE ON ACCOUNT #13.1509 – DAILY’S PREMIUM MEATS

We received information from Central Valley on Daily’s Engineering Study. The information was dated November 29, 2018 but Manager Eppich stated that we just received it yesterday. We have some questions regarding their sampling methods which were done by their engineers. We like their basic conclusions and proposals, but the amount of gallons an hour and the size of the equalization tank don’t match up. They were also supposed to give us a schedule of implementation of the recommendations which they haven’t done. We hope to get a letter to them by the end of the month and will report back to the Board.

C. 2019 HOLIDAYS

The Board was provided a copy of the 2019 Holiday list for their review.

D. 2019 CONFERENCES

A copy of the 2019 Conference schedule was provided to the Board for their review. A short discussion was then had on the different conferences.

8. 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 October Central Valley Flow & Load Report was provided for Board review which shows the flows at 12.37 MGD.

C. UTAH PUBLIC TREASURER’S POOL YIELD

The Utah Public Treasurer’s Pool Yield for November 2018 was up slightly to 2.70%.

9. 6:00 P.M. PUBLIC BUDGET AND FEE INCREASE HEARING

At 6:00 p.m. motion to move from the regular Board Meeting into the Public Budget Hearing portion of the meeting was made by Trustee Giles Demke and seconded by Trustee John Norton. The motion was approved by unanimous vote, those voting in favor: John Norton, Giles Demke, and Ami Neff.

Ami made note to welcome Dean Ayala, District Engineer and Matt Dugdale from George K Baum.

9. 6:00 P.M. PUBLIC BUDGET AND FEE INCREASE HEARING (CONTINUED)

A. DISCUSSION AND POSSIBLE AMENDMENT OF THE 2018 BUDGET

We are proposing to increase our budgeted capacity fee revenue by \$75,000 and increase our capital outlay by the same amount for the redesign and structural review of the main office building. Manager Eppich stated that the net effect of the proposed changes is \$0.

B. DISCUSSION OF PROPOSED ENGINEERING AND HOURLY EQUIPMENT RATES

Engineer Ayala went over the engineering rates which have not been raised since 2008. Controller Rohwer then went over the hourly equipment rates. These increases amount to a small amount of revenue.

C. DISCUSSION OF PROPOSED FEE INCREASE

As discussed previously it is being proposed that the fee increase of \$2.00 per month per RE was needed for the continued update and rehabilitation of Central Valley.

D. DISCUSSION OF TENTATIVE 2019 BUDGET

Since the last Board meeting a few changes have been made to the 2019 budget. Professional Services for the proposed studies added \$200,000, \$7,500 for the insurance umbrella and some revenue added.

E. PUBLIC COMMENT

There was no public present at the meeting; however we did receive a note from a customer on his payment stating he did not want the increase and that every year everything goes up but our homes become older and older.

F. APPROVAL OF THE AMENDED 2018 BUDGET

After review and discussion, motion to approve the amended 2018 budget as discussed 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.

G. APPROVAL OF PROPOSED ENGINEERING AND HOURLY EQUIPMENT RATES

After review and discussion, motion to approve the Proposed Engineering and Hourly Equipment Rates 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.

H. APPROVAL OF PROPOSED FEE INCREASE

After review and discussion, motion to approve the proposed \$2.00 Fee Increase 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.

9. 6:00 P.M. PUBLIC BUDGET AND FEE INCREASE HEARING (CONTINUED)

I. APPROVAL OF TENTATIVE 2019 BUDGET

After review and discussion, motion to approve the amended Tentative 2019 Budget 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.

Motion to move from the Public Hearing and go back into the regular Board Meeting was made by Trustee Giles Demke and seconded by Trustee John Norton. The motion was approved by unanimous vote, those voting in favor: Giles Demke, John Norton, and Ami Neff.

10. POSSIBLE CLOSED SESSION TO DISCUSS PERSONNEL ISSUES AND GENERAL MANAGER REVIEW (CONTINUED)

Motion to adjourn the open session and go into a closed session to discuss Personnel Issues and General Manager Review 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.

Motion to adjourn the closed session and go back into the open session 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.

After review and discussion, motion to approve bonus vacation days as discussed for Manager Eppich until a contract is written up, 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.

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: Giles Demke, John Norton, and Ami Neff.

The meeting was adjourned at 6:50 p.m.

Ami Neff, Chairman of the Board