

**BOARD MEETING
NOVEMBER 14, 2018
5:00 P.M.
MT. OLYMPUS IMPROVEMENT DISTRICT
3932 SOUTH 500 EAST**

SUMMARY

1. WELCOME AND INTRODUCTIONS
2. MINUTES OF BOARD MEETING – OCTOBER 17, 2018
3. FINANCIAL INFORMATION
 - A. REVIEW MT. OLYMPUS PAYABLES AND DISBURSEMENTS
 - B. REVIEW CENTRAL VALLEY INVOICE(S)
 - C. REVIEW FINANCIAL REPORT
4. CENTRAL VALLEY REPORT – JOHN NORTON
5. DISCUSSION AND APPROVAL OF PROPERTY & LIABILITY INSURANCE RENEWAL
6. DISCUSSION AND APPROVAL OF WORKERS COMPENSATION INSURANCE RENEWAL
7. 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
8. APPROVAL OF AMENDED 2019 TENTATIVE BUDGET
9. SET DATE, TIME AND PLACE FOR SECOND PUBLIC HEARING OF 2019 BUDGET AND ORDER NOTICE OF HEARING
10. MANAGER’S REPORT
 - A. PERSONNEL REVIEW
 - B. OPERATIONS REPORT
 1. UPDATE ON CAPITAL PROJECTS
 2. DISCUSSION OF DAILY’S PREMIUM MEATS
 - C. UTAH ASSOCIATION OF SPECIAL DISTRICTS CONFERENCE REPORT
 - D. WEAU MID-YEAR CONFERENCE REPORT
11. INFORMATION ITEMS (NO ACTION REQUIRED)
 - A. DISTRICT ACTIVITY REPORTS
 - B. CENTRAL VALLEY FLOW & LOAD REPORT
 - C. UTAH PUBLIC TREASURER’S POOL YIELD
 - D. ANNUAL GRANITE SCHOOL DISTRICT BILLING FOR SEWER FEES

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

PRESIDING: CHAIR, AMI NEFF

GUESTS: MATT DUGDALE, GEORGE K BAUM
JOHN SEAMAN

**BOARD MEETING MINUTES
NOVEMBER 14, 2018
PAGE TWO**

1. WELCOME AND INTRODUCTIONS

Welcome and introductions were done.

2. MINUTES OF BOARD MEETING – OCTOBER 17, 2018

Motion to approve the October 17, 2018 Board Meeting minutes, as written, 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.

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

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

4. CENTRAL VALLEY REPORT

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

- ***Budget & Public Hearing*** – Trustee Norton stated Central Valley had their budget and public hearing which no public attended. Their budget for next year is up 17 percent which is \$78 million. The substantial increases are the debt service and the capital improvements which are ongoing. Cola was 3.6 percent; Merit was 2 percent and 1 percent for career ladder increases. The budget was approved.
- ***Capital Projects*** –
 - ***Influent Channel Rehabilitation*** – Half of the pipe has been inserted into the channel and they have dug an insertion pit for the remainder of the channel.
 - ***Engine Generator Project*** – Most of the engine generator project has been completed with the exception of the gas treatment system which is being worked on now.
 - ***Power Generation Tunnel*** – The tunnel is being extended northward with the utilities and piping being relocated as well as the main power.
 - ***Secondary Clarifiers*** – Clarifier 9 is back in service and Clarifier 10 is now being worked on. The tanks on Clarifiers 11 and 12 are now under construction.

4. **CENTRAL VALLEY REPORT – JOHN NORTON (CONTINUED)**

- ***Capital Projects (Continued)*** –
 - ***Blend and Equal Tank/Digester No. 3*** – The tank has been cleaned and is ready for sandblasting and coating.
 - ***Odor Control Project*** – Excavating will begin in a couple of weeks to determine where the piping is so it can be relocated.
 - ***Water Filtration Procurement*** – Bids will be going out for the filtration equipment and are due by the end of October.
- ***SRS Funds*** – On October 15, 2018, there was a meeting with the DWQ to discuss the SRS funds. There are more fund requests than they have money. They are working on a plan to determine who will receive funds and how much. A discussion was then had on how the funds may be given out.
- ***Pretreatment Program*** – Ron Roberts spoke about updating the pretreatment ordinance. DWQ is in favor of adopting this new ordinance.
- ***House Bill 365*** – Tom Holstrom spoke about this bill. This bill provides for review of certain Water Quality Board rules or standards by the legislature; modifies the duties of the Administrative Rules Review Committee; and makes technical amendments.

5. **DISCUSSION AND APPROVAL OF PROPERTY & LIABILITY INSURANCE RENEWAL**

The Board was provided a copy of the 2019-2020 insurance proposal. We are proposing to stay with our current provider Allied World Insurance Program (AWIP). Manager Eppich stated Darrell with Olympus has recommended that we increase our excess liability coverage from \$10 million to \$15 million which would cost \$7,500. The Board decided to approve the increase.

The rate for the District insurance is basically flat with the premium up slightly because of exposure which is a 2.18 percent increase. The premium is up \$915 to \$84,794.

After review and discussion, motion to approve the property and liability insurance renewal with the excess liability coverage increase of \$7,500 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.

6. **DISCUSSION AND APPROVAL OF WORKERS COMPENSATION INSURANCE RENEWAL**

Manager Eppich stated that we have not received our renewal yet so this item will be tabled until next month.

We did receive an email from Darrell Child with Olympus Insurance regarding the Workers Compensation Insurance renewal. It looks like a rather stiff rate increase in the class code that most of our employees are classified in, which could mean an \$8,000 to \$10,000 increase.

Olympus will send it out to bid and we will also go out to bid. We will let the Board know of the findings.

7. 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 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.

Board Chair, Ami Neff welcomed John Seaman to the meeting.

A. DISCUSSION AND POSSIBLE AMENDMENT OF THE 2018 BUDGET

Controller Rohwer stated that the net effect of the proposed changes to the 2018 budget is \$0. We will 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 main office building. A discussion was then had on the construction of the rebuild.

B. DISCUSSION OF PROPOSED ENGINEERING AND HOURLY EQUIPMENT RATES

The Board was provided a chart showing the fees schedule of the District for the past ten years. Controller Rohwer stated there has not been an increase in engineering and hourly equipment rates in over ten years. The proposed increases are very conservative and they were researched and compared to multiple entities. A discussion was then had on the different fees and equipment rates.

C. DISCUSSION OF PROPOSED FEE INCREASE

Matt Dugdale from George K Baum gave a presentation regarding the fee increase. He explained where the monies for the \$2.00 increase will go, and the history behind the fee increases for Central Valley. He also explained how tax rates are assessed for the District and compare to other entities. Matt recommends approving the \$2.00 rate increase.

D. DISCUSSION OF TENTATIVE 2019 BUDGET

Controller Rohwer reported that the main change to the 2019 budget over the 2018 budget was an increase of the Districts portion of Central Valley capital from \$10,008,462 to \$11,523,133 and an increase in the District's capital budget from \$131,694 to \$687,000. The proposed capital budget for 2019 would include the front office structural repair and redesign at a cost of approximately \$600,000, engineering fees of \$58,000 and the purchase and selling of 2 trucks for a total of \$687,000.

The budget also includes the hiring of an additional person in the lines department to replace an individual we are moving to the engineering department.

7. 6:00 P.M. PUBLIC BUDGET AND FEE INCREASE HEARING (CONTINUED)

E. PUBLIC COMMENT

John Seaman – 3462 Melvina St – Account #14.1664.00

John Seaman came in to get information on the increase and the Central Valley portion of the bill. After discussion and explanation of the fees and rate increase, he understood the reasoning behind the projected increase and was ok with it.

Motion to move from the Public Hearing and go back into the regular Board 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.

8. APPROVAL OF AMENDED 2019 TENTATIVE BUDGET

Engineer Ayala discussed in detail his recommendation of how we should proceed with the rate studies. He contacted a consulting engineering firm that he had worked with before, Hansen Allen and Luce and asked them what it would cost to do rate studies on the following: flow monitoring, update and calibrate the model, capital improvement plan, impact fee study and also I & I study. The cost would be approximately \$280,000.

After review and discussion, motion to approve the amended 2019 Tentative Budget with the changes of \$7,500 for the umbrella insurance, the front office rebuild, the hiring of one additional person to the first of the year versus second quarter, and having a new engineering rate study done over the next two years 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. SET DATE, TIME AND PLACE FOR SECOND PUBLIC HEARING OF 2019 BUDGET AND ORDER NOTICE OF HEARING

After review and discussion, motion to approve the date, time and place for a second Public Hearing of the 2019 Budget is set for December 12, 2018 at 6:00 p.m. and to order Notice of Hearing 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.

10. MANAGER'S REPORT

A. PERSONNEL REVIEW

There are no anniversaries at this time and all employees are doing well.

B. OPERATIONS REPORT

1. UPDATE ON CAPITAL PROJECTS

Basically most of the capital projects for this year are done. We anticipate having the beginning of the front office structural review and design done this year.

10. MANAGER’S REPORT (CONTINUED)

B. OPERATIONS REPORT (CONTINUED)

2. DISCUSSION OF DAILY’S PREMIUM MEATS

Not a lot to report at this time. Daily’s has until the end of November to come back with a report and timeline.

C. UTAH ASSOCIATION OF SPECIAL DISTRICTS CONFERENCE

Controller Rohwer discussed the fraud score that was discussed at the conference. We are working on bringing the District in line with what is being recommended by the Association. Manager Eppich stated they discussed a few legislative bills, but most didn’t affect the District. One that we will watch is the open/closed meetings with your counsel. They are saying if you have to have a discussion with your attorney that may be allowed in a closed meeting. Trustee Norton stated that one speaker spoke about a Contract or Agreement for employment with the general manager. This will be looked into.

D. WEAU MID-YEAR CONFERENCE REPORT

Engineer Dean Ayala and Trustee Giles Demke attended the conference. Dean stated he likes going to the conference and that it is a good conference.

11. INFORMATION ITEMS (NO ACTION REQUIRED)

A. DISTRICT ACTIVITY REPORTS

Copies of the District’s activity reports were provided for Board review. Trustee Norton stated there were a lot of inspections being done.

B. CENTRAL VALLEY FLOW & LOAD REPORT

A copy of the Central Valley Flow & Load Report was provided for Board review. Flows were at approximately 12 MGD.

C. UTAH PUBLIC TREASURER’S POOL YIELD

The Utah Public Treasurer’s Pool Yield for October 2018 has increased from 2.56% to 2.61%.

D. ANNUAL GRANITE SCHOOL DISTRICT BILLING FOR SEWER FEES

The annual Granite School District payment was received for a total of \$52,878 for the 2017-2018 school year. A copy of the payment received was provided to Board Members for review.

With no further information to come before the Board, motion to adjourn the Board Meeting 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 adjourned at 7:06 p.m.