

**BOARD MEETING
OCTOBER 14, 2020
9:00 A.M.
MT. OLYMPUS IMPROVEMENT DISTRICT
3932 SOUTH 500 EAST**

SUMMARY

- 1. WELCOME AND INTRODUCTIONS**
- 2. MINUTES OF BOARD MEETING – SEPTEMBER 23, 2020**
- 3. FINANCIAL INFORMATION**
 - A. REVIEW MT. OLYMPUS PAYABLES AND DISBURSEMENTS**
 - B. REVIEW CENTRAL VALLEY INVOICE**
 - C. REVIEW FINANCIAL REPORT**
- 4. CENTRAL VALLEY REPORT – GILES DEMKE**
 - A. TENTATIVE BUDGET**
 - B. MANAGER’S MEETING REPORT**
- 5. REVIEW AND APPROVAL OF HEALTH INSURANCE RENEWAL**
- 6. REVIEW AND APPROVAL OF 2021 TENTATIVE BUDGET**
- 7. SET DATE, TIME AND PLACE FOR PUBLIC HEARING OF 2021 BUDGET AND ORDER NOTICE OF HEARING**
- 8. MANAGER’S REPORT**
 - A. PERSONNEL REVIEW**
 - B. OPERATIONS REPORT**
 - 1. UPDATE ON DAILY’S PREMIUM MEATS**
 - 2. UPDATE ON HOLLADAY HILLS PROJECT**
 - 3. UPDATE ON STUDIES PROJECT**
 - 4. DISCUSSION OF ADMINISTRATIVE POLICY AND PROCEDURES MANUAL**
- 9. 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, BOARD CHAIR
GILES DEMKE, TRUSTEE
C. KIM BLAIR, TRUSTEE
KERRY EPPICH, GENERAL MANAGER
STEPHEN ROHWER, DISTRICT CONTROLLER
DEAN AYALA, DISTRICT ENGINEER
TAMMY GONZALES, EXECUTIVE SECRETARY/DISTRICT CLERK**

PRESIDING: **CHAIR, AMI NEFF**

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1. WELCOME AND INTRODUCTIONS

Welcome and introductions were done.

2. MINUTES OF BOARD MEETING – SEPTEMBER 23, 2020

Motion to approve the September 23, 2020 Board Meeting minutes, with noted changes by Trustee Giles Demke, was made by Trustee Giles Demke and seconded by Trustee C. Kim Blair. The motion was approved by unanimous vote, those voting in favor: C. Kim Blair, 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 Giles Demke and seconded by Trustee C. Kim Blair. The motion was approved by unanimous vote, those voting in favor: Giles Demke, C. Kim Blair, and Ami Neff.

B. REVIEW CENTRAL VALLEY INVOICE

After review and discussion, motion to approve the Central Valley Invoice was made by Trustee Giles Demke and seconded by Trustee C. Kim Blair. The motion was approved by unanimous vote, those voting in favor: Giles Demke, C. Kim Blair, and Ami Neff.

C. REVIEW FINANCIAL REPORT

After review and discussion the Financial Report was accepted for filing by Board Members.

4. CENTRAL VALLEY REPORT – GILES DEMKE

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

- ***General Manager Comments*** –
 - ***Phosphorus Limit Update*** – Due to a 2014 rule on phosphorus limits, Central Valley has to provide an update annually to the State showing their progress towards these limits. In 2016 they received a variance on the ruling. They will be submitting a letter tomorrow and a copy will be provided for the October board books. They have until 2025 to be in compliance with these limits. They also received a waiver on nitrogen limits which allows for a compliance variance on future limits for up to ten years.
 - ***Golf Course Property*** – A MOU has been completed and will be provided to the developer. The attorney for Central Valley is also the attorney for one of the land developers, so they had to make sure there was no conflict of interest on either side and will move forward with the MOU.

4. **CENTRAL VALLEY REPORT – GILES DEMKE (CONTINUED)**

- ***Capital Projects*** – A drone presentation was given showing the progress and status on each project. Trustee Demke then went into detail on each project.
 - Engine Generator Replacement Project
 - Blower Building Project
 - 3W Pump Station Project
 - Digesters 3 & 4 Cover Replacement
 - Headworks Project
 - Sludge Silo Repairs
 - BNR Basins Project
- ***Big Cottonwood Creek Siphon Project*** – The project will be sent out for bid in November and they should have a recommendation by the December board meeting. The project is scheduled to be completed in the fall of 2021 with the additional scope added.
- ***Side Stream Project*** – The side stream phosphorus project is about 90 percent complete and is slated to go out to bid in November. The nitrogen design is moving along and should be completed in 2020 and should be sent out to bid in January 2021.
- ***Sludge Thickening Project*** – They have been working with an engineer on the groundwork. The design should be sent out to bid in the spring of 2021.
- ***Fire Alarm System*** – The project has been sent out to bid and is due back October 6, 2020.
- ***Non-Compliance on Effluent Ammonia and Reuse Water E. Coli*** – As you may recall CVWRF was having issues with their ammonia levels and reuse water e. coli thus, causing them to be out of compliance. They sent two letters to the State indicating the non-compliance issues and resolution processes for both. The ammonia average in August was 4.81 and their limit is 3.7. The issues have been corrected they are now at 1.0. They have taken the reuse water e. coli system off line and will use potable water for the remainder of the year.
- ***Property Insurance Review and Approval*** – Total insurance premium proposed is \$448,233 (\$378,000 last year) which is an increase of 13.6 percent along with a 5.1 percent exposure increase. Total overall increase is 18.9 percent. Trustee Demke asked if excess liability should be raised from \$15 million to \$20-\$25 million. Olympus will get a quote back to them.
- ***2021/2020 Board Meeting Schedule*** – With the exception of the December meeting (move time to 4:00p.m.) all other meeting times will remain the same.

Trustee Demke has asked for a copy of the updated GANTT chart and will send a copy to Manager Eppich and will also forward one to anyone that is interested.

A. **TENTATIVE BUDGET**

2021 is projected to be Central Valley's largest capital budget they've ever had. Nutrient removal projects and rehabilitation projects make up most of the budget. The budget also includes an \$85 million bond. Six projects that are underway deal with mandates by the Division of Water Quality.

4. CENTRAL VALLEY REPORT – GILES DEMKE (CONTINUED)

A. TENTATIVE BUDGET (CONTINUED)

Wages and benefits, operations, debt service, and capital make up the budget with the major focus on capital to meet the phosphorus limits by 2025.

There is a proposed increase of 3.7 percent in the wage budget which includes a 2 percent merit and a 1.7 percent COLA. Their health insurance rates did not go up. Total wage and benefits increase is 3.38 percent.

Trustee Demke asked if participation in social security was part of the survey. Mr. Zollinger stated that it was not because CVWRF's retirement package is equivalent to that of the Utah State Tier 1 retiree benefits and social security.

Trustee Demke asked for a copy of the employee compensation report by Mercer. He was told he could make an appointment to come in and see the report. Mercer has restrictions in the contract about it only being available for review.

The 2021 tentative budget was then approved.

B. MANAGER'S MEETING REPORT

Manager Eppich stated the UPED permit is coming up for renewal. It has to be completed by December 2021 so it has to be submitted 180 days before the permit due date so they are starting the process now.

Manager Eppich stated at last month's board meeting that Central Valley's health insurance was going to increase by 5.3 percent which was incorrect, it actually decreased by 2.8 percent.

The MOU for the golf course property is still being worked on.

Sludge silos two and three are done and the project is moving along well.

Wasatch Front Water Quality will be sending out to each entity information regarding the wet wipes campaign. The file can be downloaded and put on letterhead to be sent out with each customer's bill and can be put on the District's website stating not to flush wipes down the sewer.

All but one of the flow meters is out of calibration and one had debris in the line. Central Valley recalibrated these flow monitors to see if there was any change. They then refigured those numbers back to January to see how the expenses would change. This will change the billings and also affect the budget. Once the changes are calculated there will be a managers meeting to discuss the changes and how to move forward.

5. REVIEW AND APPROVAL OF HEALTH INSURANCE RENEWAL

The District has received its Health Insurance Renewal from PEHP its current provider. The medical and dental premium came back with a 5.4% increase with minimal plan changes. Net affect for all benefits is a 4.12% increase.

5. REVIEW AND APPROVAL OF HEALTH INSURANCE RENEWAL (CONTINUED)

After review and discussion, motion to approve the renewal of the PEHP Health Plan for 2021 was made by Trustee Giles Demke and seconded by Trustee C. Kim Blair. The motion was approved by unanimous vote, those voting in favor: Giles Demke, C. Kim Blair, and Ami Neff.

6. REVIEW AND APPROVAL OF 2021 TENTATIVE BUDGET

The Board was provided copies of the proposed 2021 Tentative Budget. Controller Rohwer discussed the budget highlights:

- Increase Sewer fee revenue and CVWRF fees from \$11.3 million to \$12.77 million which is a \$1.00 increase for CVWRF and a \$1.00 increase for the District
- An increase in engineering fees from \$8,500 to \$9,000
- Increase sewer availability fees from \$1,200 to \$1,300
- Inspection fees increase from \$17,000 to \$18,000
- Interest and admin fees decrease from \$94,000 to \$90,000
- COLA is proposed at .75% and a merit increase at 0-1%
- Salary and wages decrease because of the retirement of two long-time employees
- Increase Central Valley O&M from \$4,979,687 to \$5,195,576
- Decrease the District's portion of CVWRF capital from \$11,366,510 to \$9,118,905
- Decrease the District capital budget from \$187,991 to \$141,700
- Decrease legal fees from \$150,000 to \$90,000
- Total administration expense will increase from \$1,608,410 to \$1,689,054 mainly due to the 2021 election

A discussion was had on the COLA and merit increases. Trustee Giles proposed a 1 percent increase in COLA and a 0-2 percent merit increase. Also with the issues at CVWRF there will be changes to the tentative budget. We will keep the Board informed as we move forward.

After review and discussion, Trustee Giles Demke made a motion to approve and adopt the 2021 Tentative Budget with the discussed changes and was seconded by Trustee C. Kim Blair. The motion was approved by unanimous vote, those voting in favor: C. Kim Blair, Giles Demke, and Ami Neff.

7. SET DATE, TIME AND PLACE FOR PUBLIC HEARING OF 2021 BUDGET AND ORDER NOTICE OF HEARING

After review and discussion, motion to approve the public hearing for the 2021 budget on November 18, 2020 at 6:00 p.m. at the District offices, and order the notice of hearing was made by Trustee Giles Demke and seconded by Trustee C. Kim Blair. The motion was approved by unanimous vote, those voting in favor: C. Kim Blair, Giles Demke, and Ami Neff.

8. MANAGER'S REPORT

A. PERSONNEL REVIEW

No employee anniversaries are in November and all employees are doing a good job. After 37 years Ray Dotson will be retiring at the end of the year.

B. OPERATIONS REPORT

1. DISCUSSION OF DAILY'S PREMIUM MEATS

Manager Eppich stated their first two samples for September were significantly below their limit so there were no violations.

2. UPDATE ON HOLLADAY HILLS PROJECT

Engineer Ayala stated they are pretty much through the development review process. They owe a \$10,000 cleaning deposit (bond) and another fee for infrastructure that needs to be lined.

3. UPDATE ON STUDIES PROJECT

The Studies Project is still being worked on by Hansen Allen Luce. They haven't given a final date for completion yet.

4. DISCUSSION OF ADMINISTRATIVE POLICY AND PROCEDURES MANUAL

The Board was provided a copy of the Administrative Policy and Procedures Manual. Manager Eppich asked that the Board read through the manual and provide any comments or suggestions. Trustee C. Kim Blair asked if there are any procedures manuals that are referred to in this manual that are available to reference. Manager Eppich stated he will put those on Google drive. We will ask for an approval of the manual at the next board meeting.

9. INFORMATION ITEMS

Manager Eppich stated that he had a meeting with the UASD and they wanted to remind all board members about the required training (which all board members have completed) and that the training only needs to be done once a term. However, the open meetings training must be completed each year.

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.

9. INFORMATION ITEMS (CONTINUED)

C. UTAH PUBLIC TREASURER'S POOL YIELD

The Utah Public Treasurer's Pool Yield for September 2020 was 0.522%.

D. ANNUAL GRANITE SCHOOL DISTRICT BILLING FOR SEWER FEES

The annual Granite School District billing has been mailed out. We haven't heard anything back at this time.

Trustee C. Kim Blair wanted to clarify that each board member read through the administrative policy and procedures manual and report back any comments or changes. Manager Eppich stated yes so those changes or comments can be incorporated and reviewed by legal counsel.

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

The meeting adjourned at 11:06 a.m.

Ami Neff, Board Chair