

**BOARD MEETING
NOVEMBER 20, 2019
9:00 A.M.
MT. OLYMPUS IMPROVEMENT DISTRICT
3932 SOUTH 500 EAST**

SUMMARY

- 1. WELCOME AND INTRODUCTIONS**
- 2. MINUTES OF BOARD MEETING – OCTOBER 16, 2019**
- 3. UPDATE ON DAILY'S PREMIUM MEATS**
- 4. POSSIBLE CLOSED SESSION TO DISCUSS STRATEGY REGARDING PENDING OR REASONABLY IMMINENT LITIGATION**
- 5. FINANCIAL INFORMATION**
 - A. REVIEW MT. OLYMPUS PAYABLES AND DISBURSEMENTS**
 - B. REVIEW CENTRAL VALLEY INVOICE**
 - C. REVIEW FINANCIAL REPORT**
- 6. DISCUSSION AND SELECTION OF CPA FIRM FOR AUDIT SERVICES**
- 7. CENTRAL VALLEY REPORT – GILES DEMKE**
- 8. DISCUSSION AND APPROVAL OF PROPERTY & LIABILITY INSURANCE RENEWAL**
- 9. DISCUSSION AND APPROVAL OF WORKERS COMPENSATION INSURANCE RENEWAL**
- 10. 10:00 A.M. PUBLIC BUDGET HEARING**
 - A. DISCUSSION AND POSSIBLE AMENDMENT OF THE 2019 BUDGET**
 - B. DISCUSSION OF TENTATIVE 2020 BUDGET**
 - E. PUBLIC COMMENT**
- 11. MANAGER'S REPORT**
 - A. PERSONNEL REVIEW**
 - B. OPERATIONS REPORT**
 - 1. UPDATE ON CAPITAL PROJECTS**
 - C. UTAH ASSOCIATION OF SPECIAL DISTRICTS CONFERENCE REPORT**
 - 1. UPDATE ON POSSIBLE LEGISLATION**
 - D. WEAU MID-YEAR CONFERENCE REPORT**
- 12. 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
DEAN AYALA, ENGINEER
TAMMY GONZALES, EXECUTIVE SECRETARY/DISTRICT CLERK

PRESIDING: CHAIR, AMI NEFF

GUESTS: REPRESENTATIVES FROM DAILY'S: DANA PETERSEN, KENNETH SWALLOW, JEFF RITCHIE, STEVE SMITH, AND JENNIFER NELSON

REPRESENTATIVES FROM SCS ENGINEERING: DEAN FREE, MARK PEARSON, AND NATHAN HAMM

WALLACE FELSTED, KIRTON & McCONKIE

BOARD MEETING MINUTES
NOVEMBER 20, 2019
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1. WELCOME AND INTRODUCTIONS

Welcome and introductions were done.

2. MINUTES OF BOARD MEETING – OCTOBER 16, 2019

Motion to approve the October 16, 2019 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. UPDATE ON DAILY'S PREMIUM MEATS

Manager Eppich stated that the Board was provided the weekly updates on Daily's construction project and a copy of the draft discharge permit from Central Valley.

There was another issue at Daily's plant which caused a slug load of grease at the treatment plant and they were issued another Notice of Violation (NOV). There is a meeting scheduled with Central Valley later today to discuss this violation and the draft permit.

Jennifer Nelson, Daily's Attorney, addressed the Board and thanked them for making time on the agenda. She stated she had three items to update them on. She stated there are some changes in management at the plant and then a quick update on construction project at the plant and wastewater system updates.

In terms of management at the plant Barry Vander Veur has taken on a different roll, he is no longer the plant manager; Steve Smith is the interim Plant Manager. She then introduced the new team for wastewater management at the plant.

On October 9, 2019 the building permit was issued by the City of South Salt Lake. There was substantial electrical work required by Rocky Mountain Power that has been completed. Major pieces of equipment have been ordered. The parts of the project that are progressing are the foundation work, piping, utilities, and a lift station that have been completed. Construction is on schedule to meet the draft permit compliance date of May 30, 2020.

In terms of providing the weekly emails Daily's would cease to provide them unless there is a need for them. Trustee Norton stated he felt they have useful information and would like to continue to receive them. They agreed to continue providing the weekly updates.

The production expansion project has now been cancelled. They are looking at other Daily's plant locations to do the expansion and so they will no longer require the building expansion permit. The wastewater treatment system upgrades were designed with that expansion in mind so this will give the extra capacity to the current plant.

The Board thanked the Daily's representatives for coming to the meeting and updating their progress.

4. **POSSIBLE CLOSED SESSION TO DISCUSS STRATEGY REGARDING PENDING OR REASONABLY IMMINENT LITIGATION**

Motion to move into a closed session to discuss strategy regarding pending or reasonably imminent litigation 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.

At 10:05 a.m. Trustee Ami Neff stated we are back in regular session.

5. **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**

After review and discussion, motion to approve the Central Valley Invoice 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 went over the 2019 capital budget variance report.

6. **DISCUSSION AND SELECTION OF CPA FIRM FOR AUDIT SERVICES**

The comparison of the scoring for the different audit firms was provided to the Board for their review.

After review and discussion, motion to approve Keddington & Christensen as the CPA Firm for Audit Services 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 letters of thanks for their proposals as well as the letter of award will be sent to the firms.

7. **CENTRAL VALLEY REPORT – GILES DEMKE**

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

- ***Budget & Public Hearing*** – Trustee Demke stated Central Valley had their budget and public hearing and one person from the public was in attendance. They asked why their board meetings are being held in the middle of the day and not the evening, making it difficult for people to attend.

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

- ***Comments from General Manager –***
 - ***November Board Meeting*** – The November Board meeting has been moved to Thursday November 21st at 3:00 p.m.
 - ***Cyber Issues*** – Hackers have targeted emails at Central Valley but these issues have been resolved.
 - ***Legislative Tour*** – A tour was held on October 9, 2019. Legislators and elected officials were in attendance.
 - ***WEAU*** – The WEAU Conference is scheduled for November 19, 2019 in West Valley.
 - ***Groundbreaking Ceremony*** – Salt Lake City Water Reclamation hosted a groundbreaking ceremony for their \$500 million project and the Board was asked if they would be interested in doing something similar. They said yes they were interested in having a public groundbreaking ceremony for the nutrient project.
- ***Bonds*** – Adoption and Resolution for the issuance of \$65.1 million sewer revenue bonds at a rate of 1.5 percent was approved.
- ***South Salt Lake Force Main Project*** – The project was awarded to COP Construction at a bid of \$1,504,900.
- ***2020 Budget*** – The 2020 health insurance premiums were budgeted at 6.5 percent but came in at 4.41 percent. Both the insurance renewal and budget were approved.
- ***Capital Projects –***
 - ***Engine Generator Project*** – They are working on sidewalks and flatworks. Engine No 2 has been sold. Startup for the engine will be in November. Heat recovery equipment is being installed.
 - ***Secondary Clarifiers*** – They have completed the water tests and are installing the new circulation pumps.
 - ***Odor Control Project*** – They are missing a couple pieces of duct work and are waiting for those to come in and then that system should be up and running.
 - ***Blend and Equalization Tanks*** – They are currently being filled and the roof membrane was installed and completed.
 - ***South Interconnect*** – They have installed troughs to help with the scum and grease build up. They also found a gap in the liner and the host pipe that was done last year. They contacted the contractor that performed the work and they fixed it.
 - ***Nutrient Removal Design*** – They are finishing the project designs to present to the State. The blower designs have already been submitted to the State for review. Both designs have been submitted to South Salt Lake to review for building permits.
 - ***Centrifuges*** – They have narrowed the vendors down to two. They hope to have the recommendation to the board tomorrow.
 - ***Side-stream Nitrogen Removal*** – The bids have been sent out and are due back November 25, 2019. They hope to have a recommendation by the December board meeting.

7. CENTRAL VALLEY REPORT – GILES DEMKE (CONTINUED)

A. REPORT ON ENTITY MANAGERS MEETING

Manager Eppich reported on a discussion about the Vitro ditch which runs by the plant and eventually drains into Millcreek and then the Jordan River. There is quite a bit of storm water that goes into that ditch and DEQ wants that water treated and would like to partner with Central Valley. This discussion then leads to who is going to maintain the plant? We do not want to get involved with a project like this.

Manager Eppich handed the board a pamphlet from the Wasatch Front Water Quality Council. Trustee Demke stated this is going to the legislature. This is in response from the Legislatures look at the culinary water system.

Digester number three has been put back in service and the floating lid filled up with sludge. They will now have to replace the lid at a cost of \$1.5 million.

They have picked a contractor for the Centrifuges project – Centrisys is who was picked at a capital cost of \$2.363 million and a lifecycle cost of \$3.686 million.

They are recommending that the 3W water reuse disinfection system be awarded to Suez/Ozonia which is the same UV system that the plant uses.

8. DISCUSSION AND APPROVAL OF PROPERTY & LIABILITY INSURANCE RENEWAL

Manager Eppich stated that the numbers were not available but they are not expecting much of an increase if any.

9. DISCUSSION AND APPROVAL OF WORKERS COMPENSATION INSURANCE RENEWAL

Controller Rohwer stated there is a 22 percent decrease this year.

After review and discussion, motion to approve the renewal for Workers Compensation Insurance for the year 2020 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.

10. 10:00 A.M. PUBLIC BUDGET HEARING

At 10:00 a.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.

No public was in attendance.

10. **10:00 A.M. PUBLIC BUDGET HEARING (CONTINUED)**

A. **DISCUSSION AND POSSIBLE AMENDMENT OF THE 2019 BUDGET**

Controller Rohwer stated that we are not recommending any changes or amendments to the 2019 budget.

B. **DISCUSSION OF TENTATIVE 2020 BUDGET**

Controller Rohwer reported that the following are changes to the 2020 budget that they have seen. There is an increase in salary, wages, and benefits in the IT department, decrease in Central Valley O&M from \$5,133,300 to \$4,979,687, increase for bond interest expense of \$40,955. The net effect to the budget from 2019 to 2020 is a decrease of \$953,562.00.

C. **PUBLIC COMMENT**

No public was in attendance.

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.

11. **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**

The capital projects for this year are done: building remodel is done with the exception of fixing the front glass, lining project is done and we're moving along with the studies.

C. **UTAH ASSOCIATION OF SPECIAL DISTRICTS CONFERENCE**

Manager Eppich stated it was a good conference. Controller Rohwer stated he went to a media class that was fantastic. Kerry has been elected to the Board of the Association.

1. **UPDATE ON POSSIBLE LEGISLATION**

CLOSED MEETING AMENDMENTS

The Association will work with the Media Coalition and other stakeholders to create a consensus Bill that will allow public body meetings to be closed, in limited circumstances, to allow the public body's attorney to advise the body. This is a continuation of our effort in 2019 (H.B. 74 sponsored by Rep. Handy).

11. **MANAGER'S REPORT (CONTINUED)**

C. **UTAH ASSOCIATION OF SPECIAL DISTRICTS (CONTINUED)**

1. **UPDATE ON POSSIBLE LEGISLATION (CONTINUED)**

PROTECTION OF PERSONAL/NON-GOVERNMENTAL COMMUNICATIONS

It has been suggested that the definition of a "record" in the Government Records Access and Management Act ("GRAMA") be modified to give local officials the privilege that Legislators now enjoy by making a communication not a record unless it is dealing with the public's business or is made in the local official's capacity as a local governmental official or employee. GRAMA already includes a similar provision: "(b) 'Record' does not mean: (i) a personal note or personal communication prepared or received by an employee or officer of a governmental entity: (A) in a capacity other than the employee's or officer's governmental capacity; or (B) that is unrelated to the conduct of the public's business". Utah Code Ann. § 63G-2-103(22)(b).

MODIFY UTAH CODE ANN. § 20A-1-512, WHICH GOVERNS MIDTERM VACANCIES ON LOCAL DISTRICT BOARDS

Two modifications have been suggested. First, allow the local district to post the vacancy notice on the local district's website as an alternative to newspaper publication by inserting the following language at the beginning of Utah Code Ann. § 20A-1-512(1)(b)(i)(A): "posting the notice in a conspicuous location on a website maintained by the local district or," followed by the current newspaper publication requirement. The second modification is to address filling a midterm vacancy on a multi-county water conservancy district Board of Trustees by adding a new Subsection to Utah Code Ann. § 20A-1-512(1): "(d) Whenever a vacancy occurs on the board of a water conservancy district that is located in more than a single county, the water conservancy district board shall give written notice of the vacancy to the legislative body or bodies that originally nominated the person vacating the position, and the vacancy will be filled as provided in Subsection 17B-2a-1005(2)(c)."

REPEAL UTAH CODE ANN. § 17B-1-112, WHICH REQUIRES DISTRICT CONTACT INFORMATION TO BE PUBLISHED IN A TELEPHONE DIRECTORY

With the dramatic decline in the importance and availability of local telephone directories; and with the advent of the local government and limited purpose entity registry maintained by the Lieutenant Governor (Utah Code Ann. § 67-1a-15) and the statutory requirement that the website of every county must include a listing of local governmental entities (Utah Code Ann. § 17-15-32) which will include far more detailed information than any telephone directory; Section 17B-1-112 is an irrelevant requirement without a logical justification.

11. **MANAGER'S REPORT (CONTINUED)**

C. **UTAH ASSOCIATION OF SPECIAL DISTRICTS (CONTINUED)**

1. **UPDATE ON POSSIBLE LEGISLATION (CONTINUED)**

UTAH CODE AN. § 11-55-103, WHICH TIES THE RECEIPT BY A BOARD MEMBER OF PER DIEM AND TRAVEL EXPENSES TO RULES ADOPTED BY THE DIVISION OF FINANCE

The Division of Finance makes travel and expense rules for State travelers on the basis of a mileage allowance and the reimbursement of other travel expenses. "The travel expense rules may specify an exception to a travel expense rule or allow the director of the Division of Finance to make an exception to a travel expense rule, when justified by the executive director of the executive branch agency or department, to meet special circumstances encountered in official attendance at a conference, convention, meeting, or other official business, as determined by the director of the Division of Finance." Utah Code Ann. § 63A-3-107(4). It is not practical or feasible for a district to go to the Director of the Division of Finance seeking an exception to a State travel expense rule. Two alternative approaches have been suggested: (a) Induce the Director of the Division of Finance to adopt a rule that will be applicable to any political subdivision of the State, including all local districts and special service districts; or (b) Modify the law to give discretion to the political subdivision by renumbering Subsection 11-55-103(3) as (4) and adopting new Subsection (3): "(3) The governing body of a political subdivision may adopt per diem and travel expense rules specifying an exception to a travel expense rule adopted by the Division of Finance or making an exception to a travel expense rule when justified in writing by the chief executive officer of the political subdivision to meet special circumstances encountered in official attendance at a conference, convention, meeting or other official business, as determined by the chief executive officer of the political subdivision, which expense rules will have the same status, for the political subdivision, as a rule adopted under Subsection 63A-3-107(4)."

D. **WEAU MID-YEAR CONFERENCE REPORT**

Trustee Giles Demke who is on the Board of WEAU attended the conference. He asked the Board and Manager Eppich for any recommendations for next year's pre conference in April.

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**

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

12. INFORMATION ITEMS (NO ACTION REQUIRED) (CONTINUED)

C. UTAH PUBLIC TREASURER'S POOL YIELD

The Utah Public Treasurer's Pool Yield for October 2019 has decreased from 2.56% to 2.50%.

D. ANNUAL GRANITE SCHOOL DISTRICT BILLING FOR SEWER FEES

The annual Granite School District billing was prepared for a total of \$53,583 for the 2018-2019 school year. A copy of the letter was provided for Board 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 11:23 a.m.

Ami Neff, Chairman of the Board