

**BOARD MEETING
APRIL 23, 2014
9:00 A.M.
MT. OLYMPUS IMPROVEMENT DISTRICT
3932 SOUTH 500 EAST**

SUMMARY

- 1. MINUTES OF BOARD MEETING – MARCH 19, 2014**
- 2. MT. OLYMPUS PAYABLES**
- 3. CENTRAL VALLEY PAYABLE**
- 4. FINANCIAL REPORT**
- 5. CENTRAL VALLEY REPORT – JOHN NORTON**
 - A. CENTRAL VALLEY AUDIT REPORT FOR THE YEAR ENDED 2013**
- 6. 9:30 A.M. - PRESENTATION OF PRELIMINARY AUDIT REPORT FOR THE YEAR ENDED DECEMBER 31, 2013 BY HUBER ERICKSON & BOWMAN, CERTIFIED PUBLIC ACCOUNTANTS**
- 7. LEGISLATIVE UPDATE**
- 8. MANAGER’S REPORT**
 - A. PERSONNEL REVIEW**
 - B. OPERATIONS REPORT**
 - 1. UPDATE ON HOME SERVE ISSUE**
 - 2. UPDATE ON CAPITAL PROJECTS AND CAPITAL PURCHASES**
 - C. REPORT ON GFOA CONFERENCE**
 - D. WEAU CONFERENCE**
 - E. WEFTEC 2014 CONFERENCE**
- 9. INFORMATION ITEMS (NO ACTION REQUIRED)**
 - A. CENTRAL VALLEY FLOW & LOAD REPORT**
 - B. UTAH PUBLIC TREASURER’S POOL YIELD**

PRESENT: **JOHN NORTON, TRUSTEE**
 AMI NEFF, TRUSTEE
 KERRY EPPICH, GENERAL MANAGER
 STEPHEN ROHWER, CONTROLLER
 TAMMY GONZALES, EXECUTIVE SECRETARY/DISTRICT CLERK

 MEL MACKAY, BOARD CHAIR – VIA TELEPHONE CONFERENCE

PRESIDING: **CHAIR, MEL MACKAY**

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PAGE TWO**

1. MINUTES OF BOARD MEETING MARCH 19, 2014

Motion to approve the March 19, 2014, Board Meeting minutes as written was made by Trustee Mel Mackay and seconded by Trustee Ami Neff. The motion was approved by unanimous vote, those voting in favor: John Norton, Ami Neff, and Mel Mackay.

2. MT. OLYMPUS PAYABLES

After review and discussion, motion to approve the Mt. Olympus Payables was made by Trustee Mel Mackay and seconded by Trustee Ami Neff. The motion was approved by unanimous vote, those voting in favor: Mel Mackay, John Norton and Mike Embley.

3. CENTRAL VALLEY PAYABLE

After review and discussion, motion to approve the Central Valley Payable was made by Trustee Mel Mackay and seconded by Trustee Ami Neff. The motion was approved by unanimous vote, those voting in favor: Mel Mackay, John Norton and Mike Embley.

4. FINANCIAL REPORT

The Financial Report was accepted for filing by Board Members.

5. CENTRAL VALLEY REPORT – JOHN NORTON

Trustee Norton reported on the items discussed at the last Central Valley Board Meeting:

A. CENTRAL VALLEY AUDIT REPORT FOR THE YEAR ENDED 2013

A copy of the Central Valley audit report for the year ended December 31, 2013, was provided to the Board. The audit report is an unqualified report.

There were a few issues noted with the audit. One item was a check that was issued before the end of the year but held and mailed after year end. Second, due to a formula error, accrued sick-leave was in error. Also, the insurance premium was paid before December 31, 2013 for coverage to begin January 1, 2014. The net effect of these errors was approximately \$20,000. Central Valley's accountant is doing a better job, but they still need a stronger financial system. Trustee Norton stated that is why we need to monitor Central Valley's financials in great detail to assure as much accuracy as possible.

OTHER ITEMS DISCUSSED

All Pro gave a preliminary report on the energy recovery project. The projected cost will be approximately \$6 - \$8 million dollars for improvements on a five to nine year contract. Central Valley is also considering public-private partnerships to help offset some of these costs.

Tom Holmstrom received a letter from North Pointe Solid Waste Special Service District who is located in Lindon, Utah. The letter is requesting the purchase or lease of water rights that Central Valley owns.

5. CENTRAL VALLEY REPORT – JOHN NORTON (CONTINUED)

North Pointe apparently needs the water for dust control in the operation of their landfill. Central Valley feels that it is not in their best interest to sell or lease these water rights. There is a potential to lose their water rights if this were to be approved.

6. 9:30 A.M. - PRESENTATION OF PRELIMINARY AUDIT REPORT FOR THE YEAR ENDED DECEMBER 31, 2013 BY HUBER ERICKSON & BOWMAN, CERTIFIED PUBLIC ACCOUNTANTS

At 9:30 a.m. Chesley Erickson and T.D. Croshaw, with Huber Erickson & Bowman were welcomed into the meeting.

Copies of the preliminary audit report were provided to Board Members for their review. Mr. Croshaw briefly discussed the audit and stated it was a successful and efficient audit. Mr. Croshaw stated that the first report in the audit package is the audit report and that it is a clean or unqualified report. Mr. Erickson voiced appreciation to Mr. Rohwer, Manager Eppich and office staff for their assistance in helping them expedite the audit. Mr. Erickson then went over the MD&A. The MD&A is a narrative of the District's operations and financial analysis. It is put together by management and is reviewed but not audited.

Mr. Croshaw then reviewed the remainder of the audit and the other reports. Mr. Erickson mentioned to the Board and to Manager Eppich that there are changes coming regarding the disclosure of Pension Plan liabilities. These changes become effective in 2014 and require more disclosure on the District's part and was discussed in detail.

The District is in compliance with the State of Utah as reported in the State Legal Compliance report and also with internal controls as reported in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards. Mr. Erickson then asked if there were any other questions.

Management will do a final review and then the audit will be presented at the next board meeting for final approval.

7. LEGISLATIVE UPDATE

Manager Eppich stated at this time there were no updates to report. This will be discussed at the next Board meeting.

8. MANAGER'S REPORT

A. PERSONNEL REVIEW

Manager Eppich reported that the following employees will have their anniversaries in May:

Karl Faulkner's anniversary is on May 14. He will have been with the District for 30 years.

8. MANAGER'S REPORT (CONTINUED)

A. PERSONNEL REVIEW (CONTINUED)

Grant Reddick's anniversary is on May 12. He will have been with the District for 11 years.

Both are doing a good job.

B. OPERATIONS REPORT

1. UPDATE ON HOME SERVE ISSUE

As you may recall at the last board meeting we spoke about the Home Serve program that Salt Lake City Corporation has endorsed. The District and various other entities were invited to participate in the program as well. It was decided that it is not in the best interest of the District to participate in the program. If we receive phone calls regarding the program we will forward Home Serve's information to them.

2. UPDATE ON CAPITAL PROJECTS AND CAPITAL PURCHASES

District Engineer, Don Telford reported on the District's capital projects and purchases.

Pump Station - Preliminary surveys are underway. Bowen & Collins is working on their portion of the project. There are a couple of different types of pump stations that are being considered, with cost being a factor. One is a constructed wet-dry pump station and the other comes pre-packaged. We want to keep the pump station underground.

Cured-in-Place Bids - We will be sending out bids for the cured-in-place pipe lining project next week. These bids will cover approximately 32 sections of piping.

We will have more information and a better schedule at the next board meeting.

TV Van - The TV Van is another item we are looking at. We've had several demonstrations on different models. The old TV Van will be sold.

2 Pick-up Trucks - We are expecting delivery of the 2 pick-up trucks within the next week.

C. REPORT ON GFOA CONFERENCE

Manager Eppich and Controller Rohwer attended this conference. There were various topics discussed and overall it was a very good and informative conference.

D. REPORT ON WEAU CONFERENCE

The WEAU Conference is next week in St. George, Utah. Those scheduled to attend are: Trustee Mackay, Kerry, Don and Ray.

8. MANAGER'S REPORT (CONTINUED)

E. WEFTEC 2014 CONFERENCE

Manager Eppich stated that we have made hotel reservations at two hotels and a decision needs to be made on which hotel the Board would like to stay at. The conference registrations will be made sometime this week. Manager Eppich will work on flight arrangements. Those scheduled to attend are: Mel, John, Ami, Kerry, and Don.

9. INFORMATION ITEMS (NO ACTION REQUIRED)

A. CENTRAL VALLEY FLOW & LOAD REPORT

A copy of the current Central Valley Flow & Load Report was provided for Board review. Manager Eppich stated that flows are at approximately 14 MGD.

B. UTAH PUBLIC TREASURER'S POOL YIELD

The Utah Public Treasurer's Pool Yield for March 2014 was at .49%.

Manager Eppich then discussed the difference in the interest income that the District has received by investing some of its reserves with Zion's Bank.

There being no further business to come before the Board, motion to adjourn was made by Trustee Mel Mackay and seconded by Trustee Ami Neff. The motion was unanimous, those voting in favor: Ami Neff, John Norton, and Mel Mackay.

The meeting was adjourned at 10:28 a.m.

John Norton, Trustee