

**BOARD MEETING  
AUGUST 17, 2016  
9:00 A.M.  
MT. OLYMPUS IMPROVEMENT DISTRICT  
3932 SOUTH 500 EAST**

**SUMMARY**

- 1. MINUTES OF BOARD MEETING – JUNE 21, 2016**
- 2. MT. OLYMPUS PAYABLES**
- 3. CENTRAL VALLEY PAYABLE**
- 4. FINANCIAL REPORT**
- 5. CENTRAL VALLEY REPORT – MEL MACKAY**
  - A. MEMBER ENTITY MANAGER’S REPORT**
  - B. DISCUSSION OF INTERLOCAL AGREEMENT CHANGE**
- 6. UASD LEGISLATION REPORT**
- 7. MANAGER’S REPORT**
  - A. PERSONNEL REVIEW**
  - B. OPERATIONS REPORT**
    - 1. DISCUSSION OF DAILY’S PREMIUM MEATS CONTRACT EXTENSION**
    - 2. UPDATE ON LINING PROJECT**
    - 3. UPDATE ON BUILDING B EXPANSION**
    - 4. UPDATE ON BUILDING C HEAT AND AIR CONDITIONING REPLACEMENT**
    - 5. DISCUSSION OF REQUEST TO DISCHARGE HYDRO DEMOLITION WATER TO SYSTEM**
    - 6. DISCUSSION AND POSSIBLE UPDATE TO DISTRICT MAIN LINE SPECIFICATIONS**
    - 7. DISCUSSION OF FEE DEFINITIONS**
    - 8. DISCUSSION OF UTA ISSUES**
  - C. CERTIFICATIONS**
  - D. WEFTEC 2016 ARRANGEMENTS**
  - E. DISCUSSION OF MILLCREEK CITY ISSUES**
- 8. INFORMATION ITEMS (NO ACTION REQUIRED)**
  - A. DISTRICT ACTIVITY REPORTS**
  - B. CENTRAL VALLEY FLOW & LOAD REPORT**
  - C. UTAH PUBLIC TREASURER’S POOL YIELD**

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

**PRESIDING:** CHAIR, MEL MACKAY

**BOARD MEETING  
AUGUST 17, 2016  
PAGE TWO**

**1. MINUTES OF BOARD MEETING – JUNE 21, 2016**

Motion to approve the June 21, 2016 Board Meeting minutes, as written, was made by Trustee John Norton 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 John Norton and seconded by Trustee Ami Neff. The motion was approved by unanimous vote, those voting in favor: John Norton, Ami Neff, and Mel Mackay.

**3. CENTRAL VALLEY PAYABLE**

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

**4. FINANCIAL REPORT**

The Financial Report was accepted for filing by Board Members.

**5. CENTRAL VALLEY REPORT – MEL MACKAY**

Trustees Mackay and Norton reported that the following was discussed at the last two Central Valley board meetings:

- J ***Cogeneration Project*** – Trustee Mackay stated that Central Valley is planning to send a few Board members to Europe to look at equipment for the cogeneration project.
- J ***Pilot Food Project*** – The pilot food program that is in place shows an increase in revenues and gas production. The revenue increase is from tipping fees.
- J ***New Attorney*** – Trustee Mackay stated that the new attorney for Central Valley, Wendy Crowther was very nice. Wendy did some research regarding the discharge into Mill Creek. If we have to comply with the new discharge limit into Mill Creek then we have to down rate the plant. The down rating of the plant is considered a financial “taking” by some of the Board. Trustee Norton still maintains that the wasteload analysis has worked for the last 30 years, why is it changing now? He suggests we get some Board members and Tom Holmstrom, and have a meeting with legislators to show that this type of change is not fair. There was then a short discussion regarding the pipeline discharge.
- J ***Financial Planning*** – One issue Central Valley needs to work on is their strategic financial planning regarding future projects. Each entity would like an integrated schedule showing all projects, in the near future as well and 5 or 10 years down the road. It is felt by some that a business manager is needed to help with the financial planning.

**5. CENTRAL VALLEY REPORT – MEL MACKAY (CONTINUED)**

) *Financial Planning (Continued)* – Trustee Norton stated that he feels the District should itemize the projected increase for the Central Valley projects on the District’s bill.

**A. MEMBER ENTITY MANAGER’S REPORT**

Manager Eppich stated that at the last manager’s meeting, entity ownership was discussed. Because of the way that the ownership is calculated and paid for if one entity owns 6 percent and they are paying for 12 percent because of their usage, they are only receiving 6 percent equity. When we are talking about these new projects that will cost up to \$200 million it just doesn’t seem fair. The entities discussed this and came up with a weighted-average percentage. What this does is it takes the value of all the components and adds them together and comes up with the total cost of the plant and shows what each entity’s ownership percentage is. The District’s weighted-average percentage is 24.76 percent but we are only using about 22.8 percent of the plant. Provided to the Board was a copy of the member entity ownership report and it was discussed in detail.

**B. DISCUSSION OF INTERLOCAL AGREEMENT CHANGE**

A portion of the Interlocal Agreement was provided to the Board for their review. The changes listed, enables Central Valley to change the ownership method to the weighted-average percentage. It also gives them the ability to accept other waste for the energy recovery project. This will be discussed in at the next Central Valley board meeting.

**6. UASD LEGISLATION REPORT**

Manager Eppich stated that there were a couple of articles of interest. One is about the appointed board issue. This doesn’t affect us because we don’t have an appointed board however; they are now looking at possibly changing the wording we had to fight for to make it so that if you run unopposed then you would be considered elected to that position. The other article discussed was about Utah Local Governments Trust.

**7. MANAGER’S REPORT**

**A. PERSONNEL REVIEW**

We have two employees that have anniversary dates in August and two employees that have anniversary dates in September:

- ) Stephen Rohwer’s anniversary is on August 15<sup>th</sup>. He has been with the District for 11 years.
- ) Kevin Cleverly’s anniversary is on August 23<sup>rd</sup>. He has been with the District for 10 years.
- ) Tammy Gonzales’ anniversary is on September 27<sup>th</sup>. She has been with the District for 10 years.
- ) Jeff Eddington’s anniversary is on September 28<sup>th</sup>. He has been with the District for 18 years.

All are doing a good job.

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

**B. OPERATIONS REPORT**

**1. DISCUSSION OF DAILY'S PREMIUM MEATS CONTRACT EXTENSION**

District Engineer Ayala, stated that Daily's has started construction on their project with Whitaker Construction doing the work. Daily's is asking again for an extension of the "Interim Period" to November 1, 2016. This will give them time to collect and tabulate flow and waste load data. If approved we would tell them that they need to pay the "Final Interim Payment Amount" of \$154,584 by October 1, 2016.

After review and discussion, motion to approve a final extension of the "Interim Period" to November 1, 2016 was made by Trustee John Norton and seconded by Trustee Ami Neff. The motion was approved by unanimous vote, those voting in favor: John Norton, Ami Neff, and Mel Mackay. Manager Eppich will write them a letter informing them of the Board's decision.

**2. UPDATE ON LINING PROJECT**

They will start the lining project at the beginning of October and they have 60 days to complete it. They have asked for an additional two weeks to complete which would be the middle of November due to having additional jobs they are working on. We have approved their request.

**3. UPDATE ON BUILDING B EXPANSION**

We have finally received approval from the Planning and Zoning department of the County. We now need to pay fees and get the plans stamped and approved through the Building department. We would like to get bids this year and start construction next year. One issue the County is pushing for is the storm drain impact fee. This fee is calculated base on total area multiplied by their fee of approximately \$3,000 to \$4,000 per acre. This could cost us approximately \$12,000 to \$16,000 just for the storm drain fee. Engineer Ayala stated that he will be talking with them about these fees.

**4. UPDATE ON BUILDING C HEATING AND AIR CONDITIONING REPLACEMENT**

The HVAC system is in and running. There are a few items remaining for them to complete. One is a hot gas bypass valve which hopefully makes the unit not cycle as much. There is also a damper that is not working correctly and a couple of valves that are leaking. We have not paid them the full contract amount yet, we are withholding \$38,000 until they finish the job.

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

**C. OPERATIONS REPORT (CONTINUED)**

**5. DISCUSSION OF REQUEST TO DISCHARGE HYDRO DEMOLITION WATER TO SYSTEM (CONTINUED)**

We had a contractor contact us about discharging hydro demolition water into our system at three locations: 1) I-215 and Tolcate Lane, 2) I-215 and 6200 South, and 3) I-215 and Holladay Blvd.

What this process consists of is sandblasting off the first three inches of concrete with water and they need somewhere to put their wastewater. We looked into this to see if we could accommodate them and one of the problems is that we have a siphon downstream and this fine material would settle in our collection system, so we told them we could not accept the water. At this point they are planning on hauling it down to Central Valley.

**6. DISCUSSION AND POSSIBLE UPDATE TO DISTRICT MAIN LINE SPECIFICATIONS**

Engineer Ayala discussed the updates to the Main Line specifications of the District. The main item that we would like to change is moving from the C-900 PVC pipe to SDR-35 PVC pipe. The C-900 PVC pipe is harder to work with as far as inserta-tees and wyes while the SDR-35 PVC pipe is thinner, is less expensive, and most new connections will now use wyes instead of inserta-tees, which are easier to work with.

After review and discussion, motion to approve the updates to the District's Main Line Specifications was made by Trustee John Norton and seconded by Trustee Ami Neff. The motion was approved by unanimous vote, those voting in favor: John Norton, Ami Neff, and Mel Mackay.

**7. DISCUSSION OF FEE DEFINITIONS**

In the past when a customer paid a capacity fee we included an inspection fee for no additional charge. After review of this procedure it was determined that the capacity fee was calculated just for the capacity. So this has created a little confusion with staff and is being recommended that when a customer pays a capacity fee it is just for the excess capacity and an inspection fee is strictly for an inspection.

After review and discussion, motion to approve the separation of inspection fees from the capacity fees as of September 1, 2016 was made by Trustee John Norton and seconded by Trustee Ami Neff. The motion was approved by unanimous vote, those voting in favor: John Norton, Ami Neff, and Mel Mackay.

**7. MANAGER’S REPORT (CONTINUED)**

**B. OPERATIONS REPORT (CONTINUED)**

**8. DISCUSSION OF UTA ISSUES**

UTA approached us about a new fueling station project they are working on and they wanted to know if they could hook their floor drains in the fueling station to our sewer system. We told them they could not connect to the system. After reviewing other connections to the system they have with us, we determined that they had in fact existing fueling buildings that were connected with the eastside building being permitted through Central Valley’s Pretreatment program. They have a DAF system in place so they do treat the wastewater. We told them definitely no new connections and that the existing ones that are not being pretreated need to be disconnected. Central Valley will request information from them regarding the original hook-up and approval.

**C. CERTIFICATIONS**

We will send the certification file to the County on September 6, 2016.

**D. WEFTEC 2016 ARRANGEMENTS**

WEFTEC arrangements have been made. District Clerk Gonzales went over the details with the board.

**E. DISCUSSION OF MILLCREEK CITY ISSUES**

We were approached by the Treasurer of Cottonwood Heights regarding the start-up of Millcreek City. He asked if our building has capacity and if we could house approximately 6 Millcreek City employees and their operations for about six months. Millcreek will not have any money coming in until around March of 2017. At this point they are just looking at options.

**8. INFORMATION ITEMS (NO ACTION REQUIRED)**

**A. DISTRICT ACTIVITY REPORTS**

Trustee Neff commented about the Xpress Bill Pay fluctuation. She asked if people sign up for Xpress Bill Pay and then constantly pay that way. Controller Rohwer stated a lot of customers are on auto-pay but just decide to pay over the phone. Trustee Norton asked why the fees being paid via office seems higher than those at Xpress Bill Pay. Manager Eppich stated that capacity fees, engineering fees, inspection fees, etc., are all included in the total for in office payments.

**B. CENTRAL VALLEY FLOW & LOAD REPORT**

A copy of the current Central Valley Flow & Load Report was not available.

**8. INFORMATION ITEMS (NO ACTION REQUIRED) (CONTINUED)**

**C. UTAH PUBLIC TREASURER'S POOL YIELD**

The Utah Public Treasurer's Pool Yield for July 2016 was .93% which is up from last month (.89%).

With no further information to come before the Board, motion to adjourn the meeting was made by Trustee John Norton and seconded by Trustee Ami Neff. The motion was approved by unanimous vote, those voting in favor: John Norton, Ami Neff, and Mel Mackay.

The meeting adjourned at 11:55 a.m.

---

*Mel Mackay, Board Chair*