

**BOARD MEETING
MAY 18, 2017
9:00 A.M.
MT. OLYMPUS IMPROVEMENT DISTRICT
3932 SOUTH 500 EAST**

SUMMARY

- 1. MINUTES OF BOARD MEETING – APRIL 12, 2017**
- 2. MT. OLYMPUS PAYABLES**
- 3. CENTRAL VALLEY PAYABLE**
- 4. FINANCIAL REPORT**
- 5. CENTRAL VALLEY REPORT – JOHN NORTON**
- 6. REVIEW OF UTAH ASSOCIATION OF SPECIAL DISTRICTS 2017 LEGISLATIVE UPDATE**
- 7. ELECTION UPDATE AND APPROVAL TO PUBLISH DECLARATION OF CANDIDACY NOTICE**
- 8. 10:00 A.M. – PRESENTATION OF AUDIT REPORT FOR THE YEAR ENDED DECEMBER 31, 2016 BY HUBER ERICKSON & BOWMAN, CERTIFIED PUBLIC ACCOUNTANTS**
- 9. MANAGER’S REPORT**
 - A. PERSONNEL REPORT**
 - B. OPERATIONS REPORT**
 - 1. UPDATE ON BUILDING B EXPANSION**
 - 2. UPDATE ON LETTER TO ALLSTAR SERVICE AND REPAIR CORP.**
 - C. WEAU CONFERENCE REPORT**
 - D. GFOA CONFERENCE REPORT**
 - E. GFOA NATIONAL CONFERENCE**
 - F. WEFTEC 2017 CONFERENCE**
- 10. INFORMATION ITEMS (NO ACTION REQUIRED)**
 - A. DISTRICT ACTIVITY REPORTS**
 - B. CENTRAL VALLEY FLOW & LOAD REPORT**
 - C. UTAH PUBLIC TREASURER’S POOL YIELD**

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

GUESTS: **CHESLEY ERICKSON AND PHIL COLLINS OF HUBER ERICKSON & BOWMAN**

PRESIDING: **CHAIR AMI NEFF**

1. MINUTES OF BOARD MEETING – APRIL 12, 2017

Motion to approve the April 12, 2017 Board Meeting minutes, as written, was made by Trustee John Norton and seconded by Trustee Mel Mackay. The motion was approved by unanimous vote, those voting in favor: John Norton, Mel Mackay, and Ami Neff.

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 Mel Mackay. The motion was approved by unanimous vote, those voting in favor: John Norton, Mel Mackay, and Ami Neff.

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 Mel Mackay. The motion was approved by unanimous vote, those voting in favor: John Norton, Mel Mackay, and Ami Neff.

4. FINANCIAL REPORT

The Financial Report was accepted for filing by Board Members.

5. CENTRAL VALLEY REPORT – JOHN NORTON

Trustee Norton reported that the following topics were discussed at the last Central Valley board meeting:

- ***Bond Rating Trip*** – Trustee Norton gave a detailed report on the trip to San Francisco for the bond rating. He felt that we could have been a little more prepared in how we presented the information. The agencies asked a lot of questions that we weren't necessarily prepared for. They wanted more detailed information on the Interlocal Agreement and financial audit information. One thing we did have in our favor is that we have a few entities that are not bonding but are using cash reserves for payment of some of the projects. The first set of bonds will be issued at approximately \$32 million. We should hear back on the rating status in a couple of weeks.
- ***Public Hearing on Bond Resolution*** – There was a hearing held for public input on the Bond Resolution. With no public present for input the Resolution passed unanimously.
- ***WEAU Awards*** – The Operator's Challenge Team did a great job. They received the award for Best in State Overall, three 1st Place awards for Lab, Safety, and Process. Also CVWRF was awarded the best bio solids program for 2016.
- ***Review of Administrative Policy Manual*** – An initial review of the Administrative Policy and Procedures Manual was done with changes mainly reflecting personnel and structural changes. It was also decided that they would look at the Procurement Policy to bring it better in line with the Interlocal Agreement and State law.
- ***Permit Renewal*** – We passed the first WET test. We have also received a draft comfort letter from the State stating that if we discover a toxicant, and can identify it, then they will give us some leeway time on the compliance schedule to complete the BNR process to see if that will fix the problem.

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

- ***Murray-Cottonwood Interceptor*** – As you may recall the Murray-Cottonwood Interceptor had some blockages and they were working with a contractor to fix them. They hired divers to go into the pipeline to find the blockages. They found that a lifting strap got lodged between the joint of two pipes and was causing debris to pile up. A second blockage was a piece of a gasket that had come out of the joint. They have cleared both blockages and work should be completed in a couple of weeks.
- ***Tank Covers*** – Phil Heck gave a presentation on the blend and equalization tanks and digester #3. The tanks were part of the original plant construction and the covers for these are now degrading with corrosion. It is being recommended to replace these covers and install a jet mixing system in digester #3 to be used until the covers are fixed.
- ***Secondary Clarifiers*** – Two secondary clarifiers will need to be built for the nutrient removal process at a cost of approximately \$7 million, which the Board approved.
- ***Food Waste Recovery Project*** – On May 31, 2017 the Board and Tom and Phil will be traveling to East Bay Municipal Utility District to see their food waste recovery process.

6. **REVIEW OF UTAH ASSOCIATION OF SPECIAL DISTRICTS 2017 LEGISLATIVE UPDATE**

The Board was provided a copy of the Association of Special Districts 2017 Annual Legislative Review.

Manager Eppich stated we haven't received the final update but there are a few bills that we are following:

- ***House Bill 163/Substitute – Municipality Per Diem Amendments*** – this bill: 1) defines terms; 2) requires that per diem and travel expenses for board members serving on a board created by or within a political subdivision not exceed rates established by the Division of Finance.
- ***House Bill 324/Substitute – Local Budget Hearing Notice Amendments*** – this bill: 1) requires a local government to post a required notice of a local budget hearing on the local government's website where applicable; and 2) makes technical and conforming changes.
- ***House Bill 431/ Substitute – Government Employees Reimbursement Amendments*** – this bill: 1) defines terms; 2) prohibits a government officer or employee from: a) making a personal use expenditure with public funds; and b) incurring indebtedness or liability on behalf of, or payable by, a governmental entity, institution of higher education, or political subdivision for a personal use expenditure; 3) establishes administrative penalties for government officers or employees making personal use expenditures with public funds; 4) prohibits a government officer or employee who has been convicted of misusing public money from disbursing public funds of assessing public accounts; and 5) makes technical changes.

Interim – They are looking into studying the ability various local governing bodies to place liens on private property and foreclosure procedures.

7. ELECTION UPDATE AND APPROVAL TO PUBLISH DECLARATION OF CANDIDACY NOTICE

Copies of the ad and the Declaration of Candidacy form were provided to the Board for their information and review. Manager Eppich stated that a notice for the Declaration of Candidacy will run in the newspaper on Wednesday, May 24, and Sunday, May 28, 2017. The filing period is from Thursday, June 1, 2017 to Thursday, June 8, 2017.

After review and discussion, motion to have Manager Eppich publish the Declaration of Candidacy Notice was made by Trustee Mel Mackay and seconded by Trustee John Norton. The motion was approved by unanimous vote, those voting in favor: John Norton, Mel Mackay, and Ami Neff.

8. 10:00 A.M. - PRESENTATION OF AUDIT REPORT FOR THE YEAR ENDED DECEMBER 31, 2015 BY HUBER ERICKSON & BOWMAN, CERTIFIED PUBLIC ACCOUNTANTS

At 10:00 a.m. Chesley Erickson and Phil Collins, with Huber Erickson & Bowman were welcomed into the meeting.

Copies of the preliminary audit report were provided to Board Members for their review. Mr. Erickson briefly discussed the audit and stated it was a successful and efficient audit and stated that the first report in the audit package is the audit report and that the information in the financial statements is fairly presented and the audit report is a clean or unqualified report.

Mr. Erickson then went over the MD&A which is a narrative of the District's operations and financial analysis. It is put together by management and is reviewed but not audited. Mr. Erickson then asked if there were any other questions. Phil Collins then reviewed the remainder of the audit and the other reports including the Independent Auditor's Report in Accordance with the State Compliance Audit Guide on Compliance with General State Compliance Requirements and Internal Control Over Compliance and the Independent Auditor's 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. The District is in compliance, in all material respects, with the general compliance requirements and with the internal controls as reported.

Trustee Norton asked a few questions regarding what auditors look for when they are reviewing the books of a company. An in-depth discussion was then had on the subject.

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

9. MANAGER'S REPORT

A. PERSONNEL REVIEW

Manager Eppich reported that the following employees will have an anniversary in June:

- Paul Silcox's anniversary is on June 30th. He has been here 20 years.
- Zack Stevens' anniversary is on June 30th. He has been here 20 years.

Both are doing a good job.

B. OPERATIONS REPORT

1. UPDATE ON BUILDING B EXPANSION

Engineer Ayala joined the meeting and discussed the progress on the expansion of Building B. The flooring has now been poured. Concrete has been poured around the perimeter and sidewalk area. They will be doing the asphalt and dry wall next week. We are looking at a completion date of June 12th.

2. UPDATE ON LETTER TO ALLSTAR SERVICE AND REPAIR CORP.

As you may recall Allstar has been doing work in the district without obtaining the proper permits or notifying the District for inspections. We had a meeting with Allstar who claimed they did not receive the letter we had sent to them on April 5, 2017. We initially had a hard time getting a hold of them but we finally got in touch with them and told them about the issues of them doing work in the District. We decided the way to proceed with them was to increase the amount of their bond from \$3,000 to \$10,000 and from a 1 year bond to a 3 year bond. We did let them know that if they did not comply with the requirements we would call their bond. We also asked them to provide records for any past work they have performed in the District.

3. UPDATE ON DAILY'S PREMIUM MEATS

The DAF system is in place and they are now in their testing period. They have contracted with Bowen Collins to do another technical memorandum. We should have numbers by the end of the month.

C. WEAU CONFERENCE REPORT

Trustees Norton stated Dave Robertson gave an overall view of how bonds work which he felt was helpful. Trustee Mackay stated he thought the asset management portion was informative. Manager Eppich stated he thought it was a good conference as well.

D. GFOA CONFERENCE REPORT

Manager Eppich and Controller Rohwer attended this conference in St. George, Utah. Both felt it was a good conference.

9. MANAGER'S REPORT (CONTINUED)

E. GFOA NATIONAL CONFERENCE

Manager Eppich will attend this upcoming conference in Denver, Colorado. The conference starts May 21, 2017. Kerry will fly out on Sunday the 21st.

F. WEFTEC 2017 CONFERENCE

Hotel reservations for Kerry and Dean have been done. We are waiting for the training schedule to come out to determine if there are any courses we would be interested in. If there are no courses we are interested in we will cancel the rooms.

10. INFORMATION ITEMS (NO ACTION REQUIRED)

A. DISTRICT ACTIVITY REPORTS

- **CALL VOLUME:** The first chart was the incoming call volume for April, showing the number of calls and the duration. April 10th had the most incoming calls at 189.
- **CAPACITY FEES:** In April we received 50 capacity fees.
- **LINES CLEANED:** The lines cleaning chart shows that 164,556 feet of lines were cleaned in April.
- **ENGINEERING:** Our engineering report for April shows the number of inspections, 45, Blue Stakes calls 983, nose-ons 3, and sewer availability letters requested was 5.
- **PAYMENT VOLUME:** The payment volume chart shows the number of transactions for both in office and Xpress Bill Pay (XBP): transactions for in office were 4,039 and 5,801 for XBP; payments in dollar amounts were \$328,218 for in office and \$226,247 for XBP.
- **LINES TVd:** The next chart showed that 43,764 feet of lines were TVd for the month of April.
- **WEBSITE ANALYSIS:** Next was a chart showing analytics of our website for April.

B. CENTRAL VALLEY FLOW & LOAD REPORT

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

C. UTAH PUBLIC TREASURER'S POOL YIELD

The Utah Public Treasurer's Pool Yield for April 2017 was 1.247%.

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

The meeting adjourned at 12:12 p.m.

Ami Neff, Board Chair