

**MINUTES OF THE TAYLORSVILLE-BENNION  
IMPROVEMENT DISTRICT BOARD MEETING HELD OCTOBER 17, 2012**

The regular monthly meeting of the Board of Trustees of the Taylorsville-Bennion Improvement District was held at 3:11 p.m. Wednesday, October 17, 2012 at the District office. Present were Trustee Swensen and Trustee Russell. Also present were General Manager, Keith Lord; Assistant Manager, Kevin Fenn; Attorney, Bill Gibbs; Engineer, Paul Hirst; HR Accounting Director, Mark Chalk; Compliance Specialist, Dan McDougal and Secretary, Tami Fullmer. Trustee Behunin arrived at 3:25 p.m. The prayer was offered by Bill Gibbs.

**Public Comments** No public was in attendance.

**Common Consent Items** Minutes Upon review and discussion of the September 19, 2012 Board Minutes the following motion was made by Trustee Russell seconded by Trustee Swensen.

RESOLVED: To approve the September, 2012 minutes. The motion passed with the following individuals voting in the affirmative: Trustees Swensen and Russell.

Monthly Calendar of Events The General Manager noted that Board Meeting will be held on Tuesday, November 20, beginning at 4:00 p.m. with the Public Hearing to follow at 6:00 p.m. The Trustees plan to be in attendance.

Accounts Payable Discussed: construction/operation and maintenance vouchers 25650 - 25780, including voided vouchers #25721 and #25725, for a total of 131 vouchers with a dollar amount of \$813,385.73; payroll vouchers 2012468- 2012495 and 2012496- 2012523 for a total of 56 vouchers with a dollar amount of \$143,175.47. After much discussion the following motion was made by Trustee Russell seconded by Trustee Swensen.

RESOLVED: To approve the Accounts Payable. The motion passed with the following individuals voting in the affirmative: Trustees Swensen and Russell.

Financial Report Documents regarding the financial position of the District were reviewed and discussed. After a thorough review of the reports as contained in the Board Book, it was directed to be appended to the minutes.

Water Usage and New Connections Mr. Fenn reviewed and discussed the reports with the Board and directed the schedules to be appended to the minutes.

**Manager's Report** Review of proposed 2013 budget The General Manager presented the first draft of the 2013 operations budget for the Board's review and comments. He is proposing a two and one-half percent (2½%) increase in operation expenses; a five percent (5%) increase in water and sewer rates to \$1.54 per thousand gallons, a \$0.07 increase; increase wages two and one-half percent (2½%) for COLA and one and one-half percent (1½%) for lane advancement and performance. See detail attached to minutes. He discussed several large ticket items the District is considering for the next year. After much review and discussion the General Manager will continue to evaluate the upcoming budget and present a final draft at next month's board meeting. The Board Members complimented the General Manager on the conservative, thorough budget plan.

Discussion of reserves The General Manager addressed the Board regarding reserve funds held by the District: 1) Capital Emergency Reserve Fund - two million dollars; 2) Capital Project Fund - four million dollars; 3) General Operating fund two to six million dollars with a recommendation from the Manager that it is prudent to have three to four million in this reserve at all times. He voiced a concern that four employees in the company are eligible to retire immediately which with the current policies in place could require approximately a one million dollar cash outlay. He indicated that it would be prudent to have reserves in place to cover this kind of event thus keeping the District fiscally sound with no interruption of cash flow. There are funds available at this time to create this reserve. After much discussion the General Manager, along with Mark Chalk, will come back to the Board next month with a concrete proposal for the Board's approval.

Consider revisions to Safety Policy The General Manager discussed the need to modify the Safety Policy. He proposed an increase to the safety allowance each employee receives at the beginning of each year, and that the allowance will be evaluated and adjusted each year by the cost of living factor. The purpose of this allowance is to assist each employee with the purchase of personal protective equipment not supplied by the District. Employees are given a list to help distinguish between what the Company provides and their responsibility. After much discussion motion was made by Trustee Swensen seconded by Trustee Russell.

RESOLVED: To approve the Safety Policy #29 and yearly safety allowance with its additions and modifications for each employee. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Consider emergency 72 hour survival kits for employees The General Manager asked Dan McDougal, Company Safety and Compliance Coordinator to report to the Board regarding the 72-hour kit the Management is considering to purchase for each Company employee. Mr. McDougal presented a backpack that contained items that the Company would provide each employee and Board member. The employees would put this in their work trucks, personal cars, or homes as a tool to help each employee as a "first responder" while employed with the District. Mr. McDougal emphasized that the backpacks would remain property of the District to avoid any legal or tax issues and would be monitored for used items to be replaced. Employees could purchase additional packs for their families. After much discussion motion was made by Trustee Russell seconded by Trustee Swensen.

RESOLVED: To approve the purchase of 72 hour emergency kits for each employee and Board member for emergency purposes. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Consider date for public hearing November 20, 2012 at 6:00 p.m. The General Manager noted that the next board meeting and public hearing will be held November 20, 2012 with the Board Meeting to begin at 4:00 p.m. with the Public Hearing to start at 6:00 p.m. The Board members plan to be in attendance.

Report on Callaway Apartments The General Manager reported that he had spoken with the District's insurance agent regarding the Callaway Apartments. The insurance company proposed a payment which was a reasonable, depreciated amount, but was rejected by the representatives of the

Callaway Apartments. The next step is mediation and if not resolved, there is the possibility of a lawsuit. District Management is hopeful this will be resolved soon.

**Report on District site tour** The General Manager asked for comments regarding the site tour the District Board members took Monday, September 24, 2012. The Board members expressed positive points of the tour, learning the locations of the well houses, lift stations, reservoirs as well as the upkeep and care taken on the landscape of those same properties. They determined the tour was time well spent.

**Legal Report** The Attorney reported that the concerns of the bills being considered in the Interim-Committees have been fully satisfied and will have

no affect upon the Local Districts. Mr. Swensen raised the question about the bill that would take away water districts ability to levy taxes. The Attorney responded that there was no concern at this time. At this time a committee is preparing bills for the upcoming 2013 Legislative session that if passed will benefit the District. He also reported that the water is out of the North Jordan Canal as promised by the Canal Board.

**Engineers Report** Nothing to report.

**Construction and Operations Report** Mr. Fenn reported the bore on the North Jordan Canal has been completed but UDOT informed the contractor that the final asphalt seal coat of the road will need to be delayed until the Spring of 2013 when temperatures are higher. All other construction information is included in the Board Book.

**Jordan Valley Water Conservancy District Report** Nothing to report.

**Central Valley Water Reclamation Facility Report** Nothing to report.

**Consider Customer Communication on Monthly Bills** Trustee Russell discussed the District include more information on the bills; a reminder, facts, historical information and conservation on the bill or included on an extra sheet inserted in the bill. The Board agreed that adding facts on the bill would be positive advertising for the District.

**Adjourn** The following motion to adjourn the October, 2012 Board Meeting was made by Trustee Russell seconded by Trustee Swensen.

RESOLVED: To adjourn the October 17, 2012 Board Meeting at 5:17 p.m. The motion was passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

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## **ACTION ITEMS**

- General Manager to include more information on the Billing Statements
- General Manager and Accountant to present proposed Retirement Reserve
- General Manager to present tentative budget for 2013