

**MINUTES OF THE TAYLORSVILLE-BENNION
IMPROVEMENT DISTRICT BOARD MEETING HELD MAY 15, 2013**

The regular monthly meeting of the Board of Trustees of the Taylorsville-Bennion Improvement District was held at 3:05 p.m. Wednesday, May 15, 2013 at the District office. Present were Trustee Swensen and Trustee Russell. Also present were General Manager, Keith Lord; Assistant Manager, Kevin Fenn; Controller, Mark Chalk; Compliance Coordinator, Dan McDougal; Sewer Supervisor, Tom Gordon; Attorney, Bill Gibbs arrived at 3:11 p.m.; Engineer, Paul Hirst; and Secretary, Tami Fullmer. Trustee Behunin was excused. Also in attendance was Randy Jensen, Kristopher Cox and Jeremy Jones representing Haynie & Company, the District's auditors, for a presentation. The prayer was offered by Paul Hirst.

Public Comments No public was in attendance.

Presentation "Outstanding Collection System" Award The General Manager asked Tom Gordon, Sewer Supervisor for the District to report on the award that was received at the WEAU Conference held in St. George. Mr. Gordon discussed the paperwork he needed to fill out, visits from State officials that toured the District sewer locations and sites, and questions asked in regards to the District's sewer operations. He indicated that the officials went away very impressed with the quality of work done by a sewer crew of five men and determined that the District deserved to receive the award for Outstanding Collection System in the state of Utah. The Board thanked Tom Gordon and his sewer crew for their quality work in the District. The Board thanked Mr. Gordon on his continued dedication to the District.

Common Consent Items Minutes Upon review and discussion of the April 15, 2013 Board Minutes motion was made by Trustee Russell seconded by Trustee Swensen.

RESOLVED: To approve the April, 2013 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 Wednesday, June 19, 2013 and will begin at 3:00 p.m. Trustees Swensen and Russell plan to be in attendance. He also invited the Board to the Employee Summer Party that will be held Monday, July 29, 2013 at Hidden Village Park.

Accounts Payable Discussed: construction/operation and maintenance vouchers 26585 - 26716, for a total of 132 vouchers with a dollar amount of \$837,426.18; payroll vouchers 2013195 - 2013222 and 2013223 - 2013250 for a total of 56 vouchers with a dollar amount of \$145,781.59. After a discussion the following motion was made by Trustee Russell seconded by Trustee Swensen.

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

Financial Report Controller, Mark Chalk, reviewed the monthly financial report. Documents regarding the financial position of the District were reviewed and discussed. Mr. Chalk noted that May was an exceptional month in which there was a decrease in cash position of approximately one million dollars due to the purchase of MIU's (meter interface units), payment of the Central Valley Bond and Jordan Valley Water Conservancy District invoice. After a thorough review the reports were directed to be appended to the minutes.

Certification of delinquent accounts to Salt Lake County Treasurer The General Manager presented the Certifications for the month of May, 2013. After discussion the following motion was made by Trustee Russell seconded by Trustee Swensen.

RESOLVED: To approve the Certification amount of \$25,290.82. The motion passed with the following individuals voting in the affirmative: Trustees Swensen and Russell.

Water Usage and New Connections Mr. Fenn reviewed and discussed the water usage report with the Board and directed the schedules to be appended to the minutes. He indicated that precipitation was down and the water use demand is very close to budget.

Presentation of the 2012 Financial Audit by Haynie & Company Kristopher Cox representing Haynie & Company referred to the 2012 Audit of the District included in the Board Book. He reported that the audit was conducted in accordance with Federal Government Auditing Standards. He explained that the District demonstrated good budgeting and management practices as outlined by the Federal Government, is in compliance with all general requirements and that the District demonstrates very good accounting practices. The auditors stated that they were able to offer a clean and commendable report. After a discussion with the Board motion was made by Trustee Russell seconded by Trustee Swensen.

RESOLVED: To approve and accept the auditors's report from Haynie & Company as complete and accurate. The motion passed with the following individuals voting in the affirmative: Trustees Swensen and Russell.

Manager's Report Long Term Planning Discussion The General Manager introduced the topic about the need for Reserves. He handed out a sheet comparing three different entities and how they each determined the amount to be set aside. He then proceeded to discuss the need for reserves and the how to determine the amount. He noted that the District has reserves set aside; \$2 million dollars for emergencies and \$4 million dollars for capital construction. He then added two more categories, a CVWRF Reserve of \$400,000 and a Post-Employment Benefit reserve of \$1.3 million dollars; all totaling \$7.7 million dollars. After much discussion regarding reserves in general, he then referred to the schedule in the Board Book on the District's estimated financial position for the years 2014 through 2016. The schedule showed three different scenarios regarding rates and building reserves. The General Manager pointed out that if the District does nothing regarding rates, that there could be a shortage of revenue by 2016. He then proposed to the Board they consider increasing the Readiness-to-Serve charge by either doubling the current amount and holding this constant through the three years; or, doubling the Readiness-to-Serve charge in 2014 and increasing it again in 2015 and 2016. The schedule showed that the District could maintain a safe fiscal position and begin to build a reserve. Trustee Swensen asked if all of the construction projects were needed. It was discussed that all of the projects were needed. Some of the projects could be delayed but the District could risk a failure if not eventually addressed. The District's position has always been to be responsive rather than reactive in maintaining the system. The Board determined to discuss this matter again in the next board meeting. The General Manager indicated that he will bring back a more detailed presentation with recommendations.

Conservation Report The General Manager asked Dan McDougal, the District Compliance/Safety Coordinator to report on Conservation in the District. Mr. McDougal reported that he has been working with Jordan Valley Water Conservancy District (JVWCD) and their conservation efforts. He explained that in Taylorsville-Bennion's conservation efforts they have emphasized water conservation, appropriate landscaping for the Utah climate and encouraged participation in the JVWCD Conservation Gardens. The Board thanked Mr. McDougal for his report.

Water Quality Report for 2012 Dan McDougal reported that the Water Quality Report for 2012 had been printed and mailed to all customers in the District. The report featured the District's awards for "Best Tasting Water Overall" and "Best Tasting Groundwater" presented at the 2012 AWWA Intermountain Section Conference. Other items included in the report were Water Emergency Preparedness, Emergency Preparedness Resources and Water Conservation.

Legal Report Nothing to report.

Engineers Report The Engineer discussed an issue with the Board that will affect the sewer system in the area of 2700 West and 4100 South. He reported to the Board that American Express is considering relinquishing some of its surplus property for future businesses. The State of Utah is planning to build a second Sate Laboratory in this same location. The State of Utah Driving Range could also be developed in the future. The Engineer was asked to look at the sewer capacity in this area and hired a firm to do a sewer flow monitoring study. The study has been completed and was reported that the sewer line does not have enough adequate capacity to handle any more sewer flow. The District will need to replace the 12" line with an 18" line which will be costly but necessary for the District to handle any additional connections. The Engineer will prepare more information to present to the Board at the June Board meeting.

Construction and Operations Report Mr. Fenn reported that the Tay-West rehab work is complete and the well will be started by next month. The Atherton West Well Enclosure is complete and waiting on the appropriate paperwork needed to proceed. The 2012 waterline replacement project will be completed once the weather warms and the asphalt can be laid. The Sewer System Management Plan needs some changes with the Rules and Regulations and then can be included in a plan that the Division of Water Quality has required the District to create. The District has completed a siting report for a replacement well. They are attempting to contact the property owner concerning the purchase of the property. The engineer design for the 2013 Waterline Replacement is close to completion. For other projects Mr. Fenn asked that the Board refer to the report included in the Board Book for further review.

Jordan Valley Water Conservancy District Report Trustee Swensen reported to the Board that he, Richard Bay, General Manager of JWCD, and Alan Packard, Assistant General Manager at JWCD, met together regarding the failure of the North Jordan Canal. They discussed potential ways to provide replacement service to Salt Lake Community College, Taylorsville Cemetery, Salt Lake County Parks and other large turf areas. A letter was written to Van King, President of the North Jordan Canal Company, offering their support in an attempt to mitigate the damage and lack of water while the North Jordan Canal is out of service for an extended period of time.

Central Valley Water Reclamation Facility Report Nothing to report.

Utah Association of Special Districts Report Nothing to report.

Adjourn Motion was made by Trustee Russell seconded by Trustee Swensen.

RESOLVED: To adjourn the May, 2013 Board Meeting at 5:15 p.m. The motion was passed with the following individuals voting in the affirmative: Trustees Swensen and Russell.

ACTION ITEMS

- Trustee elections
- Long Term Planning