

**MINUTES OF THE TAYLORSVILLE-BENNION
IMPROVEMENT DISTRICT BOARD MEETING HELD DECEMBER 18, 2013**

The regular monthly meeting of the Board of Trustees of the Taylorsville-Bennion Improvement District was held at 3:00 p.m. Wednesday, December 18, 2013 at the District office. Present were Trustees Behunin and Russell. Trustee Swensen arrived at 3:20 p.m. Also present were General Manager, Keith Lord; Assistant Manager, Kevin Fenn; Controller, Mark Chalk; Attorney, Bill Gibbs; Engineer, Paul Hirst; and Secretary, Tami Fullmer. The prayer was offered by Attorney Bill Gibbs.

Common Consent Items Minutes Upon review and discussion of the November 20, 2013 Board Minutes the following motion was made by Trustee Russell seconded by Trustee Behunin:

RESOLVED: To approve the November, 2013 minutes. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Following Trustee Swensen's arrival, he asked that we re-visit the Minutes from the November Board meeting. He clarified a sentence from the Public Hearing. After discussion the following motion was made by Trustee Russell seconded by Trustee Swensen:

RESOLVED: To approve the November, 2013 Minutes as corrected and amended by the Board of Trustees. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Monthly Calendar and Upcoming Events The General Manager invited the Board to the Employee Christmas Luncheon that will be held Tuesday, December 24, 2013 at noon. He also invited the Board to attend a luncheon honoring Ron Dawson for thirty years of service that will be held Thursday, January 16, 2014 at noon. The General Manager discussed the upcoming 2014 Conferences and encouraged the Board members to notify him approximately four months prior to the conference if they plan to attend. The January Board Meeting will convene on Wednesday, January 15, 2014. Trustees Swensen, Behunin and Russell plan to be in attendance.

Trustees Expense Report The General Manager explained that the enclosed forms were for the Trustee's review.

Manager's Report Consider approval of Worker's Compensation Policy for 2014 The General Manager reported that he did not go out for bids stating that companies don't want to bid against WCF of Utah. The bid for 2014 is similar to 2013 with a small increase. The General Manager explained that we have two or three small incidents per year with no lost time and have a good safety record. After reviewing the figures the General Manager asked for the Board's approval in accepting the Worker's Compensation Policy as the District's carrier for 2014. After discussion the following motion was made by Trustee Russell seconded by Trustee Behunin:

RESOLVED: To approve the Worker's Compensation Fund Policy for 2014 as recommended by the General Manager. The motion passed with the following individuals voting in the affirmative: Trustees Behunin and Russell.

Review Budget 2014 and changes to Budget 2013 The General Manager reviewed with the Board the changes made to the Tentative Budget that will be presented at the Public Hearing. The changes would be voted upon and approved at the Public Hearing.

The General Manager reviewed the changes in the 2013 Budget. These will be discussed further and voted upon at the Public Hearing as well.

The General Manager acknowledged the new seating arrangement in the Board Room and invited the Trustees to sit at the table facing any visitors. He will ask all visitors to hold their comments until any presentation has been completed.

Consider adoption of board meeting schedule 2014 The General Manager discussed the 2014 Board Meeting Schedule and asked for the Board's approval. After a discussion the following motion was made by Trustee Swensen seconded by Trustee Russell:

RESOLVED: To adopt the 2014 Board Meeting Schedule as recommended by the General Manager. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Consider employee performance award The General Manager complimented Controller, Mark Chalk, on his outstanding presentation at the November Public Hearing and recommended that the Board recognize him with an additional bonus. After discussion motion was made by Trustee Russell seconded by Trustee Swensen:

RESOLVED: To approve a bonus for Mark Chalk for his presentation and calm demeanor under pressure at the November Public Hearing. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Financial Report Accounts Payable Discussed: construction/operation and maintenance vouchers 27699 - 27822, for a total of 124 vouchers, with a dollar amount of \$660,783.91; payroll vouchers 2013587 - 2013614 and 2013615 - 2013642 for a total of 56 vouchers with a dollar amount of \$182,896.04. After 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 Behunin, 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. After a thorough review the reports were directed to be appended to the minutes.

Certifications of delinquent accounts to Salt Lake County Treasurer Mark Chalk presented the Certifications for the month of December, 2013. After a discussion the following motion was made by Trustee Russell seconded by Trustee Swensen:

RESOLVED: To approve the Certification amount of \$29,643.87. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Operations Report 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. Kevin noted that the precipitation for the 2013 calendar year is below normal.

Projects Mr. Fenn reported that the motor for the Rawson Well has been tested at the factory and is in route to the well. A factory representative wants to be on site when the motor is installed which

should occur within the next week. The HZ and MZ Lid Repair and Restoration will be addressed by the Engineer. The Sewer System Condition Study needs some modification before the project is completed. The 3900 S Lift Station-Grating/Odor Control review is 90% complete and be bid in January. The 4100 S Sewer Line Replacement kick-off meeting was held December 5, 2013 and the plans are in the infancy stages. CRS Engineers, District management and the owner of the property for the Nelson Replacement Well have met to discuss a possible purchase. The District has offered to purchase the entire plot and the owner needs time to consider the offer. The owner and District management will meet again in January. The Barker-Bridgeside Waterline design is 60% complete and the staff at CRS Engineers is working to secure the proper easements. The 20 Year Plan Update is to be done in December and is currently in review. The HZ and LZ Landscaping Project may need to proceed at a slower pace because of a conflict with the lid restoration. Management approached Jordan Valley Water Conservancy District regarding a grant for the landscaping and JWCD seemed receptive to looking at a possible grant. A meeting will be held Tuesday, January 14, 2014, to discuss the possible grant in detail. Trustee Swensen expressed interest in attending the meeting.

Legal Report Nothing to report.

Engineer's Report Consider approval of contract for engineering services for a water line project: Barker - Bridgeside Landing Apartment Complex The Engineer reported that CRS has proposed to provide the design and construction management on this project for the District for \$11,000, with a total project amount of approximately \$91,000. The project will be tying two water lines together and provide an additional water source to the Bridgeside Landing Apartment Complex.

Consider approval of contract for services related to the purchase of property for a replacement well The Engineer reported that CRS Engineers will assist in the process of purchasing the property for the Nelson Replacement well for a total of \$6,500. This will include all legal descriptions and negotiation of terms of the purchase agreement with the land owner.

Consider approval of change order to Reservoir Lid Repair and Restoration Engineering Contract The Engineer proposed that we close the contract on the lid repair and restoration. He requested additional funds of \$3,200 to close-out the engineering and project management contract for a total of \$25,100.00. The contractor encountered unforeseen obstacles in removing the old tank coverings. The Engineer was instructed to halt the work of the contractor and process a final payment.

Consider approval of contract for landscaping design of High Zone and Low Zone Tank Property The Engineer reported that the design plan is complete and is now looking at various options on how to fund the project now that Jordan Valley Water Conservancy District may be assisting with grant money. The Engineer did suggest that the landscaping may need to be completed in phases because of the lid repair and restoration. After a lengthy discussion concerning the four projects the following motion was made by Trustee Russell seconded by Trustee Swensen:

RESOLVED: To approve and award CRS Engineers three contracts: The Barker-Bridgeside Landing Apartment Complex water line; the purchase of property for the Nelson Replacement Well; and the contract for landscaping design of the High Zone and Low Zone Tank Property; as well as the change order for the Engineering Contract to close-out the contract to VanCon Construction for the Reservoir Lid Repair and Restoration Project. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Jordan Valley Water Conservancy District Report - Trustee Swensen Trustee Swensen reported that Jordan Valley is not meeting in December. There are four board seats up for appointment to be recommended by the Governor. Following the Governor's appointments, the Senate will vote to approve the Board Members.

Central Valley Water Reclamation Facility Report - Trustee Behunin Nothing to report.

Utah Association of Special Districts Report - Trustee Russell Trustee Russell reported that Senator Mayne attended the last UASD meeting and expressed her views on listening to complaints from customers and emphasizing safety.

Public Hearing

At 4:00 p.m. Chairman Behunin called the Board to order and announced the beginning of the Public Hearing for the purpose of reviewing the 2014 Budget. Trustee Behunin welcomed those in attendance.

The General Manager presented the District's Budget for 2014. He reported that in the November Public Hearing a rate increase was approved for the amount of \$1.62 per thousand gallons as well as the water and sewer availability fees increasing to \$5.00 per month. This will generate additional revenue that will be used for needed construction projects and equipment. This will be used in the future to accomplish the District's 10 year plan. Employee wages were approved to a 4.2% increase. He reported a decrease in costs for health and disability insurance. Revenues for 2014 are estimated to be \$12.9 million, operating expenses projected to be \$11 million, and the total net income budgeted to be approximately \$2.2 million. He indicated that the total expenses for the Capital Construction Budget is \$5.5 million.

Public Comment: Is your staff size remaining the same?

Staff Response, Keith Lord: Yes, our staff size will remain the same which is 28 employees.

Public Comment: Does all the water sources come from wells?

Board Response, Gary Swensen: The previous board members had foresight to build wells and reservoirs which supplies approximately 70% of the water needed for the District. We do buy water from another source during the summer months. Mr. Swensen explained that the term, availability fee, which the District is raising, insures that when you turn your tap on, water comes out.

Public Comment: In the last Trustee election, the nominee ran unopposed. How often do you hold elections?

Board Response, Ben Behunin: Each Trustee election is held every four years.

After a discussion the following motion was made by Trustee Russell seconded by Trustee Swensen:

RESOLVED: To close the Public Hearing and go back into regular Board meeting. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Trustee Behunin directed the Board to re-open the 2013 Budget and the following motion was made by Trustee Russell seconded by Trustee Swensen:

RESOLVED: To re-open the 2013 Budget for discussion. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Consider adoption of Budget 2014 and changes to Budget 2013 The General Manager explained that the purpose is to open Budget 2013, with no increase or decrease to the budget but move money to the projects that cost more than anticipated from other projects that were postponed.

After discussion on the various projects that were adjusted the following motion was made by Trustee Swensen seconded by Trustee Russell:

RESOLVED: To close the 2013 Budget Hearing. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

The following motion was made by Trustee Russell seconded by Trustee Swensen:

RESOLVED: To adopt the changes to the 2013 Budget as outlined by the General Manger. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

The following motion was made by Trustee Russell seconded by Trustee Swensen:

RESOLVED: To approve the 2014 Budget that was presented and outlined by the General Manager. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Adjourn The following motion was made by Trustee Russell seconded by Trustee Swensen:

RESOLVED: To adjourn the December, 2013 Board Meeting and Public Hearing. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

ACTION ITEMS

- Nelson Replacement Well property
- Jordan Valley Water Conservancy District grant