

**MINUTES**  
**TAYLORSVILLE-BENNION IMPROVEMENT DISTRICT**  
**Board Meeting Work Session**  
**Monday, January 15, 2018**  
**Taylorsville-Bennion Board Room**

**Board Members Present**

Don Russell	Chairman
Gary Swensen	Trustee
Russ Wall	Trustee

**Staff Members Present**

Keith J. Lord	General Manager
Kevin Fenn	Assistant General Manager
Mark Chalk	Assistant General Manager
Todd Godfrey	Legal Counsel
Paul Hirst	Engineering
Dora Dominguez	Office Supervisor/Executive Assistant
Dan McDougal	Office/Communications Manager
Lance Fisher	IT Manager

**Visitors**

Matt Millis	Zions Public Finance
Melinda Greenwood	Jacques & Associates
Keith Larsen	Bowen & Collins

Trustee Don Russell, opened the meeting at 1:02 pm and welcomed everyone to the rate study work session.

Swearing in of new trustee The General Manager presented Dora Dominguez as the District notary and stated that she would be swearing in Mr. Russ Wall as a District Trustee. Dora Dominguez gave the Oath of Office to Mr. Russ Wall. He signed the Oath of Office and was congratulated by everybody present.

Presentation and Discussion of New Rate Structure

**Matt Millis**, Zions Public Finance, explained the involvement of each of his team members. Mr. Millis worked on the financial component of the rate study, Mr. Keith Larsen was responsible for the cost of service and the block rate structure components, and Ms. Melinda Greenwood advised and will continue to advise in the public relations component. Mr. Millis presented a draft presentation for the public hearing on Wednesday. He stated the reasons why TBID rates need to be updated: for the long term financial needs of the District, Central Valley treatment improvements, cost of service, and the block structure as required by the recent Utah Legislation. Because the District has been very well run, minimal increases will be made to the rates. Mr. Millis indicated that the recommended revenue increase for a projected 10-year budget plan would be as follows: Water 2018 0%,

2019 4%, 2020-2022 3%, 2023 2% and 2024-2027 0%; Sewer 2018 0%, 2019-2022 3%, 2023 2%, 2024-2027 0%. Trustee Russell inquired if there was a better way to ease the rate increase over the 10-year outlook. Mr. Millis explained that the above numbers were referring to revenue increases not rate increases. The sewer side needs to fund the Central Valley treatment improvements in the next few years and the water side has several upcoming capital projects that need to be funded. In 2019 a 1099B bond will be paid off and after that money will go directly to revenue. It was decided not to present the slide of the revenue increase in the public hearing to avoid confusion with rates and revenue. Trustee Russell inquired if the District had been presented with a projected rate increase outlook for Jordan Valley and if the District had been able to obtain a lower rate increase for this year. The General Manager indicated that the projected rate increase is 4%. Assistant General Manager, Kevin Fenn, stated that the District was able to obtain a 1.5% rate increase for this year and anticipates receiving the same rate increase in the future.

**Mr. Keith Larsen** discussed the cost of service component. He noted that the District needs to fit the rate increase to the cost of doing business. There are different categories assigned for cost based on how they are incurred. Water categories are: billing and administrative, base capacity, extra capacity, and availability costs. Sewer categories are: availability costs, treatment demand, flow demand and billing and administrative costs. Mr. Larsen proposed a block rate structure for water that would incorporate four different increasing blocks:

Block 1—	Indoor Use	0 to 6,000 gallons
Block 2—	Target Outdoor Use	6,000 to 25,000 gallons
Block 3—	High Outdoor Use	25,000 to 45,000 gallons
Block 4—	Excessive Outdoor Use	>45,000 gallons

There would be a credit for mobile homes and privately maintained infrastructures. When the master meter is outside of the property, the residents are responsible for maintaining the infrastructure. Mr. Larsen stated that he proposed the same approach on credit with mobile home parks and other PUD type residential infrastructures. Summit Vista development would get its own wholesale rate. Trustee Russell inquired on the meaning of PUD. He was informed that it stands for Planned Unit Development. Trustee Wall inquired on the wholesale rate granted to Summit Vista if they only have 7 feet per unit versus a mobile home with 29 feet per unit. Mr. Larsen explained that it was more of a credit not a wholesale rate. The Attorney questioned if the size of the development is what had motivated the District to grant the credit. The General Manager explained that there was a specific design to meet District standards and the developer did not agree with the design. The Engineer indicated that to avoid any issues and liability when the design was not up to Districts standards, the District had decided to grant the credit. Summit Vista Public Water System will be required to sample the water that they purchase from Taylorsville-Bennion Improvement District. Trustee Wall suggested to modify the label wholesale rate. The Attorney agreed with the label modification and stated he was somewhat concerned about granting the credit to Summit Vista as other developments may request the same type of credit. The District does not have much more room for development, but it is something to consider. The rate study team will review the label and make a modification. The General Manager inquired if there was a credit for schools. Mr. Larsen noted that there would be no credit for Schools. Trustee Swensen inquired on the classification for parks and schools. Assistant General Manager, Mark Chalk, stated that parks and schools will be part of the

non-residential class. Mr. Larsen proceeded to explain the base rate or availability charge recommendation. The base rate will increase gradually. Residential units will be charged for 1 unit; Non-residential (schools, churches, government) will be charged per fixture units; it was noted that 1 residential unit equals 20 fixture units. Trustee Russell inquired on the number of schools and parks in the District. The District did not have the number available during the meeting. Trustee Swensen inquired on the number of Jr. Highs. He was informed that there are 2 Jr. Highs in the District. Trustee Wall remarked the importance for the non-residential accounts to understand the new rate structure as the impact is greater. Mr. Larsen reported that the impact on the average resident will be minimal. The lower than average user will pay less, the higher than average user will pay more. The General Manager expressed his concern regarding the base rate gradually increasing and the per thousand-gallon rate remaining unchanged, that it might cause a negative effect in conservation. The Engineer suggested to reduce the volume on the blocks in the future.

**Ms. Melinda Greenwood** discussed her involvement in the rate study. She stated that she will be compiling questions at the public hearing to create a Frequently Asked Questions section. Ms. Greenwood suggested a proactive communication with churches and schools before the new rate structure is rolled out. Trustee Russell remarked that a bill insert with key points will be a great way to communicate to customers. An executive summary is being created and it will include the impact for the average user before and after the new rate structure. Ms. Greenwood inquired if the District was aware of other entities offering the same type of credit to privately maintained infrastructures. The Attorney confirmed that he is aware of other entities offering a credit for sewer service. Ms. Greenwood indicated that the District will be setting a precedence regarding this type of credit and must be prepared for questions from other entities. She concluded by stating that the change to rates will be so minimal that it is a great attestation on how great the District has been managed.

After the rate discussion the General Manager confirmed the board meeting will be held on Wednesday, January 17<sup>th</sup>, 2018 at 4:00 pm and the public hearing will be held at 6:00 pm.

Training on District Officers and Responsibilities The General Manager referenced the board book manual the District created for the board members. It specifies the board responsibilities such as reviewing financial records or preparing checks. Mr. Lord outlined some of the items included in the board book manual: Mission Statement, Organizational Chart, Meeting Schedule, Little Manual, Water and Waste Rules and Regulations, Contracts with Jordan Valley and Central Valley.

#### Election of District Officers

The General Manager reviewed briefly the description of each officer title. He informed the Board that Assistant General Manager, Mark Chalk, has been performing the accounting for the District and Lynne Webster has been assisting by preparing the invoices. Mr. Lord has been reviewing all checks before they are mailed. The General Manager asked the board for the possibility of having the Clerk and Treasurer titles be assigned to management. The attorney remarked that historically board members used to perform the duties of the clerk and treasurer but that has evolved in the last 30 years. He noted that Mr. Lord and Mr.


Chalk are already performing the duties of a clerk and treasurer, this would just assign the title to them officially. The Attorney indicated the Board would still be responsible to overseeing and directing the District. He stated that the Legislative Auditor commended the District for a high-quality audit, his only recommendation was to do staff appointments. Mr. Chalk noted that this topic was discussed at the USAD conference and none of the other entities had their board members assigned as a clerk or treasurer. Trustee Russell remarked that in the past the board members had held the official appointment in case it was ever needed. Trustee Swensen suggested to have the election of clerk and treasurer appointments as an agenda item for the January 17<sup>th</sup> board meeting. Trustee Swensen nominated Trustee Russell as Chairman for the board, Trustee Wall concurred. After discussion, the following motion was made by Trustee Swensen seconded by Trustee Wall:

**RESOLVED:** To appoint Trustee Don Russell to serve as the Chairman of the Taylorsville-Bennion Improvement District Board for the 2018 calendar year. The motion passed with the following individuals voting in the affirmative: Trustees Swensen, Wall and Russell.

Trustee Swensen inquired on the February board meeting date. He was informed that the February District board meeting will be held on Thursday, February 15, 2018 at 2:00 pm. Trustee Swensen inquired if the District had been notified of the Jordan Valley board member appointment. The General Manager stated that the District has not been notified of the board member appointment to Jordan Valley.

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

**RESOLVED:** To adjourn the January 15, 2018 work session board meeting. The time was 2:53 pm. The motion passed with the following individuals voting in the affirmative: Trustees Russell, Swensen and Wall.



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Don Russell, Chair of the Board of Trustees

**Action Items**

No action items