

**MINUTES OF THE TAYLORSVILLE-BENNION
IMPROVEMENT DISTRICT BOARD MEETING HELD OCTOBER 21, 2015**

The regular monthly meeting of the Board of Trustees of the Taylorsville-Bennion Improvement District was held at 3:03p.m., Wednesday, October 21, 2015, at the District office. Present were Trustee Behunin, Trustee Swensen and Trustee Russell. Also present were General Manager, Keith Lord; Assistant General Manager, Kevin Fenn; Assistant General Manager, Mark Chalk; Engineer Paul Hirst; Attorney Todd Godfrey and Secretary, Tammy Lynne Webster. The prayer was offered by Trustee Swensen.

Approval of Common Consent Items September 3, 2015 Strategic Planning Meeting Minutes and the September 21, 2015 minutes, calendar, upcoming events, and trustees expense report

The Board reviewed and discussed both the Strategic Planning Meeting Minutes and the September Board Meeting Minutes. The General Manager made one correction on the Strategic Planning Meeting Minutes. After discussion the following motion was made by Trustee Swensen seconded by Trustee Russell:

RESOLVED: To approve the September 3, 2015 Strategic Planning Meeting Minutes and the September 21, 2015 Board Meeting Minutes. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Monthly Calendar The General Manager discussed the November Board Meeting, scheduled for Wednesday, November 18, 2015 at 4:00 p.m. The Board Members plan to be in attendance.

Presentation of the preliminary budget 2016. The General Manager presented the preliminary budget for 2016. He reported that the budget is based on an estimated water demand of 12,300 acre feet (af), which is 1,000 af less than budgeted for last year, and 200 less than projected to end this year. Weather forecasts are for a wetter year which would affect water sales. Water and sewer rates are proposed to increase 5.3%, which is \$0.09 per thousand gallons, as per long term planning. This is an increase from \$1.69 to \$1.78 per thousand gallons. Due to the costs imposed by Central Valley, it is proposed that a new charge be set at \$5.00 per RU (Residential Unit). This fee will go towards payment for the rehabilitation of the sewer treatment plant. The next five years will see the District's portion of costs go from \$546,963 to \$3,165,983 per year by year 2020. The costs involved for Central Valley's rehab is of great concern to District Management and Board Members. The Board discussed with District Management that a tour, Board Meeting, and Public Hearing be held at the Central Valley facility for the District patrons who wish to attend. Central Valley's General Manager, Tom Holstrom as well as Assistant General Manager, Phil Heck, would field questions regarding the costs involved for the plant's rehabilitation. The General Manager will contact Tom Holstrom at Central Valley to schedule the event. The General Manager discussed that the average wage increase of 3.52% is \$67,324, which represents a 1.3% COLA and average 2.2% for lane and performance advancement. Certification and lane advancement for eight employees is an additional \$13,400. The cost of living adjustment is based on the Bureau of Statistics-West urban-August of 1.3%. He reported that one additional employee is proposed to be added in 2016. Trustee Swensen inquired about the additional employee. The General Manager explained that this new hire would assist Dan McDougal with his many job responsibilities outside the building, thus allowing Dan to focus on social media and other demands of his

position. The General Manager reported that Employee Medical Health benefits are increasing 8.5%, with the Dental benefit increasing 4.0% for an overall increase of 20.26% due to the additional employees. Both are required as membership in the Utah Retirement Systems. The General Manager and Assistant General Manager, Mark Chalk, discussed their concern regarding health care increases and explained that there is an option to change to HSA insurance. After some discussion, Trustee Behunin remarked that the retention of employees is due, in part, by the benefits offered at Taylorsville-Bennion. The Board expressed hesitation at making any changes and voiced support of the current medical plan. The General Manager reported that the total O & M budget increase proposed is \$289,718 or 2.55%.

The General Manager discussed the proposed decreases to the 2015 budget are utilities which are expected to decrease \$129,953 or 16.74% due to the reduced electrical cost because of less water demand. He also reported that uniform services decreased \$15,500 or 39.24% due to the changing of the contractor. Oil and gas purchases are budgeted to decrease only about 1.05% because of anticipated lower prices throughout the year. There have been efforts to reduce gas consumption by 10% this year. The General Manager explained that water costs from Jordan Valley will be less this year than budgeted last year because of less than anticipated increase. The same may be true for the coming year. The General Manager explained that is the preliminary budget and no motion is needed. It will be presented at the November Board Meeting for the Board's approval.

Administrative Policies and Procedures Consider approval of Resolution 15-10, Early Retirement Incentive Pay Policy The General Manager presented Resolution 15-10, Early Retirement Incentive Pay Policy, to the Board. This policy is for employees with 20 years of full time service to the District who want to retire early, or have suffered a catastrophic illness or injury preventing them from returning to work. Employees electing to retire early under this policy will receive up to a year's salary according to a graduated scale. The General Manager recommended that the Board approve Resolution 15-10, the Early Retirement Incentive Pay Policy. After a lengthy discussion the following motion was made by Trustee Russell seconded by Trustee Swensen:

RESOLVED: To approve and adopt Resolution 15-10, Early Retirement Incentive Pay Policy as outlined by the General Manager. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Approve Public Hearing for November 18, 2015 at 6:00 p.m. The General Manager asked that the Board approve the Public Hearing to be held on Wednesday, November 18, 2015 at the offices of the Central Valley Water Reclamation Facility at 6:00 p.m. for the purpose of discussing the 2016 water and sewer rate increase. After discussion the following motion was made by Trustee Swensen seconded by Trustee Russell:

RESOLVED: To approve the Public Hearing for Wednesday, November 18, 2015 at 6:00 p.m. to be held at the Central Valley Water Reclamation Facility for the purpose of presenting the 2016 water and sewer rates. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Engineering and Construction Consider approval of revised contract for engineering services for production well and site preparation for Wirthlin and Millrace well sites The General

Manager confirmed that an agreement has been signed with Wirthlin. The Engineer reported that instead of two test wells, a production grade well will be drilled on the Wirthlin property. The project is larger than originally planned and will need to be monitored more closely as it will be a twenty-four hour operation increasing the proposed services to CRS Engineers for a total of \$73,390. After a discussion the following motion was made by Trustee Russell seconded by Trustee Swensen:

RESOLVED: To approve the drilling of a production well on the Wirthlin property and a test well at 5400 South (Millrace) in the amount of \$73,390 to CRS Engineers for their expertise and services. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Financials Consider approval of certification of delinquent accounts to Salt Lake County Treasurer Assistant General Manager, Mark Chalk, presented the certifications for October, 2015 in the amount of \$67,547.35. After discussion the following motion was made by Trustee Russell seconded by Trustee Swensen:

RESOLVED: To approve the October, 2015 certification in the amount of \$67,547.35. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Consider approval of accounts payable Discussed: construction/operation and maintenance vouchers 31131 - 31326, for a total of 196 vouchers, with a dollar amount of \$1,797,295.95; payroll vouchers 2015477 - 2015506 and 2015507 – 2015536 for a total of 60 vouchers with a dollar amount of \$165,337.55. After a discussion the following motion was made by Trustee Swensen seconded by Trustee Russell:

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

Reports & Miscellaneous

Report: September financials, graphs Assistant General Manager, Mark Chalk, presented 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.

Report: September water usage, new connections, graphs and projects Assistant General Manager, Kevin Fenn reviewed and discussed the water usage report with the Board and directed the schedules to be appended to the minutes.

Projects Mr. Fenn reported that the CIPP is 100% complete. The Engineer is working with the contractor regarding any allegations and solutions. The 4100 South Sewer Replacement Project is complete. The Nelson Replacement Well is progressing and the agreement has been signed. The well design is underway and well driller services will be out for bid. The LZ landscaping is complete and the final invoice is in progress. The HZ landscaping preconstruction meeting was held and Phase 1 of the project is underway. The 3900 S Lift Station-Grating/Odor Control Project is approximately 95% complete and is on schedule. The Tay East Well Rehab project

preconstruction meeting was held and the project is underway. The CIPP Trunkline Phase 3 project is in the design and planning phase. He referred the Board members to other Projects in the Board book for their review. The Board thanked Mr. Fenn for his report.

Report: Engineering: Final 4100 S Sewer Relief Project – The Engineer reported that the project is completed and successfully finished ahead of schedule. District Management and the Engineer are pleased with the contractor's work.

Report: Legal Nothing to report.

Jordan Valley Water Conservancy District Report Nothing to report.

Central Valley Water Reclamation Facility Report Nothing more to report.

Utah Association of Special Districts Report Nothing to report.

Adjourn The following motion to adjourn the October 21, 2015 Board Meeting was made by Trustee Swensen seconded by Trustee Russell:

RESOLVED: To adjourn the October, 2015 Board Meeting. The time was 5:15 p.m. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Action Items