

**MINUTES OF THE TAYLORSVILLE-BENNION
IMPROVEMENT DISTRICT BOARD MEETING AND PUBLIC HEARING
HELD DECEMBER 16, 2015**

The Board Meeting and Public Hearing of the Board of Trustees of the Taylorsville-Bennion Improvement District was held at 3:00 p.m., Wednesday, December 16, 2015, at the District offices. 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, Tami Fullmer. Dale Westenskow, a financial consultant with Robison-Hill, was in attendance for a presentation. The prayer was offered by Paul Hirst.

Approval of Common Consent Items Minutes of November 16, 2015 Board Meeting and Public Hearing, calendar, upcoming events, and trustees expense report The Board reviewed and discussed the November 16, 2015 Board Meeting and Public Hearing Minutes. After discussion the following motion was made by Trustee Swensen seconded by Trustee Russell:

RESOLVED: To approve the November 18, 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 January, 2016 calendar and noted that Board Meeting would begin at 3:00 p.m. on Wednesday, January 20, 2016. The Board Members plan to be in attendance. He invited the Board to the Employee Christmas luncheon Thursday, December 24, 2015 at noon to be held at the District offices.

Administrative Policies and Procedures Election of board officers The General Manager informed the Board that election of board officers is necessary following the election of Trustees Swensen and Russell. After discussion the following motion was made by Trustee Russell seconded by Trustee Swensen:

RESOLVED: To remain in the same position for 2016 and 2017 as they now hold; with Ben Behunin, Chairman; Gary Swensen, Clerk; and Don Russell, Treasurer. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Consider approval of board meeting dates for 2016 The General Manager presented the proposed board meeting dates for 2016. After discussion the following motion was made by Trustee Swensen seconded by Trustee Russell:

RESOLVED: To approve the 2016 board meeting dates as presented by the General Manager. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Consider approval of Workers Compensation Fund policy for 2016 The General Manager presented Workers Compensation Fund insurance policy for 2016 to the Board. He stated that the District receives the best rates possible and other agencies have declined to bid against WCF. Trustee Swensen disclosed that his son works for WCF and asked Attorney Godfrey if this would be a conflict between Taylorsville-Bennion and himself. Attorney Godfrey assured

Trustee Swensen that there would be no conflict because of this full disclosure. After discussion the following motion was made by Trustee Russell seconded by Trustee Swensen:

RESOLVED: To approve the Workers Compensation Fund insurance policy for 2016 as recommended by the General Manager. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Consider approval of Dan McDougal as District Records Officer The General Manager reported that the District Records Officer has been Mark Chalk but due to the fact that Mr. Chalk's responsibilities have increased he recommended that Dan McDougal be delegated to the position. Mr. McDougal has passed the tests needed for record keeping and has an understanding of the job. After discussion the following motion was made by Trustee Russell seconded by Trustee Swensen:

RESOLVED: To approve Dan McDougal as the District Records Officer. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell. After the voting Trustee Swensen inquired if the District can charge a fee for anyone requesting records. The General Manager explained that the District can charge a reasonable fee for printed or electronic material. Trustee Russell asked about the frequency of requests. Mr. Chalk noted that the District receives approximately one request a year. Mr. McDougal's main focus will be the retention of records and keeping records for the recommended length of time as required by State law.

Consider discussion on mobile home park refund The General Manager welcomed Dale Westenskow, auditor for Robison-Hill and a consultant for the District. It was noted that the mobile park owners were invited to attend but were not present. The General Manger introduced the discussion by focusing on two items that were identified in an email from the Mobile home park representatives. Item 1) The number of residential units used to calculate the credit should be greater, four (4) more in Majestic Meadows and three (3) in Majestic Oaks. The General Manager indicated that he had responded to the email indicating that if the park owners wanted an additional credit that he would back charge the mobile home park for the additional units. He proposed that no credit or additional charge be calculated and called it a "wash". Item 2) The park owners requested a provision be written into the District policy to adjust the depreciation of the ongoing credit. Mr. Westenskow discussed the concept of depreciation. He indicated that GASB has not set a life expectancy standard for infrastructure depreciation. However, the number of years for the life cycle is determined by industry recommendations or IRS tables. The actual life expectancy of pipelines can be longer or shorter depending on earth movement, acidic ground, pipe quality and installation procedures. He recommended that the District credit be based on a fifty year life cycle on estimates of the cost of pipe that the District installs as opposed to the pipe installed by the park owners. The District cannot control the quality of installation by others. Trustee Behunin inquired about the mobile home park installing new pipelines and if faulty would the District be responsible to repair those lines. Mr. Westenskow explained that the method used to calculate the credit is based on the District's experience within the District and not within the mobile home park. He explained that the park owners can try to make the District responsible, but because it's similar to a residential lateral line, the homeowner is responsible for the repair. The General Manager reiterated that the District is complying with the State statute as far as it can be interpreted. All

agreed that it is difficult to interpret and confusing to understand. The Attorney confirmed that the way the District extended the credit is reasonable and complies with the law. The General Manager consulted with the director of Utah Association of Special Districts (UASD) and its attorney, both of which agreed that TBID is handling the credit correctly under the law. In fact, the entire body of UASD voted against having the legislature reopen and examine the law. Mr. Westenskow concluded that the District policy is complying with the spirit of the law, that should the park owners make capital improvements, the District has in its policy to review the credit calculation every five years. The new cost would be used and a larger credit for depreciation would be created. It was determined by the Board of Trustees, District Management, Attorney and consultants that the mobile home park refund policy is sufficient and will remain as it is.

Engineering and Construction Consider approval of 3900 S Lift Station Grating Project close out and change orders The Engineer presented the close out and final completion report for the 3900 S Lift Station Grating Project that consisted of installing various structural supports for grating and installing new galvanized steel railings and safety grates, reinstalling ultra-sonic sensor equipment, new sixteen foot coated link fence, new access walkway, and removing and disposing of existing odor control vessel and contents. The total amount for the project was \$186,058.77 with a change order of \$6,358.77. After a discussion the following motion was made by Trustee Swensen seconded by Trustee Russell:

RESOLVED: To approve the final completion amount of \$186,058.77, which includes a change order in the amount of \$6,358.77 for the 3900 S Lift Station Grating Project. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Consider award of drilling contract for new well and test well The Engineer reported that there were two bidders for the drilling contract and the low bidder was Hydro Resources in the amount of \$1,299,500. The Engineer recommended that the Board approve and award the contract to Hydro Resources, who are a California company and wants to establish themselves in Utah. After discussion the following motion was made by Trustee Russell seconded by Trustee Swensen:

RESOLVED: To approve and award the drilling contract for the new well and test well to Hydro Resources in the amount of \$1,299,500. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell. Hydro Resources plan to begin work in January, 2016.

Financials Consider approval of certification of delinquent accounts to Salt Lake County Treasurer Assistant General Manager, Mark Chalk, presented the certifications for December, 2015 in the amount of \$54,390.16. After discussion the following motion was made by Trustee Russell seconded by Trustee Swensen:

RESOLVED: To approve the December, 2015 certifications in the amount of \$54,390.16. 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 31488 – 31642, for a total of 155 vouchers, with a dollar amount of \$764,557.48; payroll vouchers 2015596 - 2015624 and 2015625 – 2015653 for a total of 59 vouchers with a dollar amount of \$198,280.09. Trustee Russell inquired about voucher #31550, for Open Aire Screen Printing. Mr. Fenn explained that the charge is for embroidery of the servicemen's outerwear so the Taylorsville-Bennion logo and their name appears on their clothing. After a discussion the following motion was made by Trustee Russell seconded by Trustee Swensen: 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: November 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: November 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 Project is 100% complete. Both the Wirthlin Well and Millrace Test Well were discussed in the Engineer's report. The 3900 S Lift Station-Grating/Odor Control Project has been completed and was discussed in the Engineer's report. The Tay East Well Rehab project is in progress. The chemical treatment has been completed and now considering buying a new pump or using the existing pump. The CIPP Trunkline Phase 3 is being designed and planning is underway. Management is hopeful to bid for this project in January, 2016. He referred the Board members to other Projects in the Board book for their review. The Board thanked Mr. Fenn for his report.

Trustee Swensen proposed that the Board consider moving to the Budget and Public Hearing item on the agenda. Mr. Dale Westenskow was excused.

Public Hearing

The Budget and Public Hearing of the Board of Trustees of the Taylorsville-Bennion Improvement District was called to order at 4:03 p.m. at the Taylorsville-Bennion District offices. In attendance, was Trustee Behunin, Trustee Swensen, Trustee Russell, General Manager Keith Lord; Assistant General Manager, Kevin Fenn; Assistant General Manager, Mark Chalk; Attorney, Todd Godfrey; Engineer, Paul Hirst; and Secretary, Tami Fullmer. The following motion was made by Trustee Swensen seconded by Trustee Russell:

RESOLVED: To open the Public Hearing for the Taylorsville-Bennion Improvement District. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Discussion and presentation to open the 2015 Budget The General Manager indicated that the notice for the Budget and Public Hearing was properly advertised in the Tribune and Deseret Morning News according to Utah State Code as well as the Government Public website and the District's website. He requested that the 2015 Budget be opened so to amend specific accounts. The following motion was made by Trustee Swensen seconded by Trustee Russell:

RESOLVED: To open the 2015 Budget to address and amend specific accounts. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

2015 Budget The General Manager highlighted some of the major line items that had been projected, budgeted and then revised during the 2015 year. The Wirthlin well costs were not as high this year and asked the Board to reduce the amount in the 2015 budget. The General Manager addressed the need to purchase a small dump truck. This truck was to be purchased in 2016 but there are resources available to purchase the truck this year. The General Manager reported that the District purchased a new vactor truck and were able to sell the old vactor truck for a sizable amount of money and is reflected in the 2015 budget. He discussed the upgrades to the Board Room which included audio-visual equipment, computer, software, recording system, projector, projection screen and an interactive display TV that are in the Board Room. The items will be helpful to the staff on various projects and presentations. The General Manager reported that the bid contract for the 3900 South Lift Station was higher than anticipated and more money needed to be put toward the project. There were delays on the 5300 S Replacement Well (Millrace) and the Nelson Replacement Well (Wirthlin) and the funds will be moved forward to 2016. He reported that the High Zone Reservoir project was split into two phases; one part completed in 2015 and the other part will be done in 2016 so funds will be moved forward to complete the project in 2016. The General Manager increased the Central Valley Budget to reflect the need for upgrades to the facility. He discussed the 20 Year Plan Update and expressed the need to increase the budget for strategic planning and a water model update. The General Manager concluded that the 2015 budget reflects a net credit amount of \$807,375 and asked that the Board approve the changes and close the 2015 Budget. After discussion the following motion was made by Trustee Swensen seconded by Trustee Russell:

RESOLVED: To approve the changes and close the 2015 Budget as outlined by the General Manager. The motion passed by the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Consider motion to adopt the 2016 Budget The General Manager reported that the 2016 Budget has only one change since the Board viewed the Tentative Budget in November. The 2016 Budget reflects a slight increase over the previous year of \$392,261 or 3.45%. He presented a summary of the final budget and asked for the Board's approval for the 2016 Budget. After discussion the following motion was made by Trustee Russell seconded by Trustee Swensen:

RESOLVED: To approve and adopt the 2016 Budget as outlined by the General Manager. 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 close the Public and Budget hearing and return to the regular Board meeting. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Report: Engineering: Nothing to report.

Report: Legal Nothing to report.

Jordan Valley Water Conservancy District Report Trustee Swensen reported that there are three to four Jordan Valley Board members that are up for reappointment by the Governor in 2016. Also, three Taylorsville City Council members were re-elected by a large margin and they are excellent people and friends of Taylorsville-Bennion. He also reported that Richard Bay, General Manager of Jordan Valley, will be visiting the District Board meeting in January.

Central Valley Water Reclamation Facility Report Trustee Behunin reported that the November Board Meeting held at Central Valley was excellent and was hoping for a bigger turn out from District patrons.

Utah Association of Special Districts Report Trustee Russell reported that there is expected to be a large amount of legislation regarding Special Districts in 2016.

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

RESOLVED: To adjourn the December Public Hearing at 4:27 p.m. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Action Items