

**MINUTES OF THE TAYLORSVILLE-BENNION
IMPROVEMENT DISTRICT BOARD MEETING AND PUBLIC HEARING
HELD NOVEMBER 16, 2016**

The Board Meeting and Public Hearing of the Board of Trustees of the Taylorsville-Bennion Improvement District was held at 4:00, Wednesday, November 16, 2016, at the District office. Present were Trustees Behunin, Swensen and Russell. Also present were General Manager, Keith Lord; Assistant General Manager, Kevin Fenn; Assistant General Manager, Mark Chalk; Attorney, Todd Godfrey; Engineer, Paul Hirst and Secretary, Tami Fullmer. Also in attendance was James Behunin, State Auditor General's office representative. The prayer was offered by Keith Lord.

Public Comments The General Manager welcomed James Behunin, State Auditor General representative, to the Board meeting. Mr. Behunin explained to the Board that he was visiting several entities to become more familiar about Board meetings. He was curious about the lack of candidates for the Board positions but after reading the biographies of each Trustee he now understands why they there are no other candidates. He remarked it was a pleasure to be in attendance to watch and learn.

Approval of Common Consent Items

Minutes The Board reviewed and discussed the October 19, 2016 Board Minutes. The following motion was made by Trustee Swensen seconded by Trustee Russell:

RESOLVED: To approve the October 19, 2016 Board Meeting Minutes. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Monthly Calendar The December Board Meeting is scheduled for Wednesday, December 21, 2016 to begin at 3:00 p.m. with the Public Hearing to follow at 4:00 p.m. The Trustees plan to be in attendance.

Administrative Policies and Procedures

Consider approval of Property, Liability and Workman's Compensation Insurance Policy for 2017 The General Manager welcomed Stuart Young and Stephanie Crossley, agents representing USI Insurance, to present the 2017 insurance policy. Mr. Young referred to the material he distributed to each Board member. He reported to the Board that he, the General Manager and Mr. Chalk met previously to discuss the insurance needs of the District. Travelers Insurance will assist with Worker's Compensation Insurance and Arch Insurance will handle the majority of the District's insurance needs. The General Manager recommended that the Board approve the insurance plan and after discussion the following motion was made by Trustee Russell seconded by Trustee Swensen:

RESOLVED: To approve the 2017 Property, Liability and Workman's Compensation Insurance Policy for 2017 as recommended by the General Manager. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, and Russell. Trustee Swensen abstained from voting due to a possible conflict of interest which the Attorney assured Trustee Swensen that there is none.

Consider approval of Tentative Budget 2017 The General Manager presented the proposed Tentative Budget for 2017 and reported to the Board that only small changes have been made since the Board met in October, 2016. The General Manager noted that several other entities are considering a \$5.00 charge on the customer bill for the Central Valley Water Reclamation Facility. After discussion the following motion was made by Trustee Russell seconded by Trustee Swensen:

RESOLVED: To approve the 2017 Tentative Budget. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Consider tentative board meeting dates for 2017 The General Manager presented the proposed board meeting dates for 2017 to the Board. After discussion, it was determined that the final dates will be approved at the December Board meeting.

Consider items for the public hearing The General Manager reviewed the Public Hearing items that will be presented in the meeting that will take place at 6:00 p.m. He discussed the agenda and clarified the guidelines to assist the Chairman and Trustees if and when District patrons wish to participate.

Consider Christmas gift of meat for employees The General Manager discussed with the Board approving a selection of either ham, pork or beef to give each employee in the amount of \$30 as a Christmas gift. The following motion was made by Trustee Swensen seconded by Trustee Russell:

RESOLVED: To approve the General Manager's recommendation for the purchase of a Christmas ham or other meat for each employee in the amount of \$30. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Engineering & Construction

Consider close-out to CIPP project 2014 The Engineer reported on the CIPP project installed on 4100 South between Redwood Rd and Lift Station (approx. 1000 West), and stated it was complete. The Engineer requested approval of an additional \$8,061.04 due to increased construction management for a total of \$45,837.76. Change orders for the contract increased during construction because of unforeseen problems regarding a back-up resulting with the contractor, Layne Inliner, paying a portion of the engineering fees incurred. With the change orders to the contract in the amount of credit \$24,531.72, the total project cost was \$751,306.04. The General Manager recommended that the Board approve the new contract amount with the change orders. After discussion the following motion was made by Trustee Swensen seconded by Trustee Russell:

RESOLVED: To approve the additional \$8,061.04 to CRS Engineers and credit change order of \$24,531.72 to the contractor for a total of \$751,306.04 for the CIPP project 2014 as recommended by the General Manager. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Consider close-out to CIPP project 2016 The Engineer reported that the contractor, Insituform, agreed to a proposal put forth by the District Management, the Attorney, and CRS Engineers, for a modification to the project costs because of the problems in segment #6. This proposal included change orders to: increase days of work, credit for value-added engineering of \$60,881.02, credit adjustment for line segment #6 of \$22,164 and credits for extra engineering of \$5,000 and maintenance of \$14,000. The General Manager recommended that the Board approve the agreement and final project cost of \$1,126,880.90 and credit change order of \$102,045.02 to close out the CIPP project 2016. The following motion was made by Trustee Swensen seconded by Trustee Russell:

RESOLVED: To approve the final cost of \$1,126,880.90 and credit change order of \$102,045.02 to close out the CIPP project 2016. 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 the month of November, 2016 in the amount of \$87,779.86. After discussion the following motion was made by Trustee Russell seconded by Trustee Swensen:

RESOLVED: To approve the November, 2016 Certification amount of \$87,779.86. 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 33277 - 33558, for a total of 282 vouchers, with a dollar amount of \$847,801.76; payroll vouchers 2016575 – 2016604 and 2016605 – 2016634 for a total of 60 vouchers with a dollar amount of \$165,079.78. After 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: General Manager – Nothing more to report.

Report: Asst. Manager CAO – November financials, graphs, EUM Assistant General Manager, Mark Chalk, presented the monthly financial report. Documents regarding the financial position of the District were reviewed and discussed.

Report: Asst. Manager COO – October water usage, new connections, graphs, 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: CIPP Project – The Engineer reported that the project is 100% complete; Swensen Well – The Attorney reported that Taylorsville City has agreed to amend

the ordinance and are working on an amendment that will allow the District to purchase the land needed. He is waiting for to hear from Taylorsville City's attorney and reported that the City has been helpful with the pending negotiation; CIPP Trunkline Phase 3 – As reported by the Engineer, the project is complete; MZ Tank Lid Rehab – The contractor is on site, has removed the old material and the new material is being installed and is close to completion. Mr. Fenn referred the Board members to the Projects in the Board book for their review. The Board thanked Mr. Fenn for his report.

Report: Engineer- TayEast well water rights and Diligence Claims The Engineer reported that the Utah State Legislature had allocated money for adjudication of water rights in the Salt Lake Valley. The State Engineer sent a letter to all water users within the boundaries they will include those in the adjudication in book form. The Barnett's reviewed the book and found some discrepancies and concerns that need to be addressed. The Engineer is meeting with the Barnett's tomorrow morning to review. He will keep the Board informed.

Report: Attorney- Central Valley Agreement Update The Attorney explained that each entity's attorney attended a meeting to discuss and finalize the interlocal agreement. He reported that the final draft of the agreement should be completed this week.

Report: Trustee – Central Valley Water Reclamation Facility Nothing to report.

Report: Trustee - Jordan Valley Water Conservancy District Nothing to report.

Report: Trustee – Utah Association of Special Districts Nothing to report.

Closed Meeting for the purpose of discussing the character, professional competence, or physical or mental health of an individual The following motion was made by Trustee Swensen seconded by Trustee Russell:

RESOLVED: To go into a closed meeting for the purpose of discussing the character, professional or physical or mental health of an individual: The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Motion was made by Trustee Russell seconded by Trustee Swensen:

RESOLVED: To come out of closed meeting. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Public Hearing

The Public Hearing of the Board of Trustees of the Taylorsville-Bennion Improvement District was called to order at 6:05 p.m. at the District office. In attendance was Trustee Behunin, Trustee Swensen and 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. Employees Lance Fisher and Dan McDougal were also

present. A total of three patrons of the District were also in attendance. The following motion was made by Trustee Swensen seconded by Trustee Russell:

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

Consider water and wastewater rates for 2017 Chairman Behunin welcomed all those in attendance. The General Manager thanked those who were attending. For the record, the Public Hearing was advertised in the newspapers as required by law. He introduced Mark Chalk, Assistant General Manager, who addressed the Board regarding the increase of water and sewer rates for 2017. He presented a Power Point that illustrated the ten year revenue and expense forecast for the District. He explained that the original long term financial planning forecasted a need for a 5% annual increase through the year 2023. These forecasts are re-evaluated every year ensure a rate increase is essential. Upon evaluation this year the rate increase was updated to show the long term financial planning forecasts a 5% increase through the year 2019. Mr. Chalk reported that the District does have an aging infrastructure in some areas and new growth in other areas and the increase will help with the day to day operations and maintenance of the District. He went on to explain that the State has mandated that the District decrease its water consumption by the year 2025. Unfortunately, when water consumption goes down, there is a need for rates to increase. Mr. Chalk illustrated a comparison of annual water and sewer bills of ten surrounding entities and noted that Taylorsville-Bennion still remains the lowest in costs among those entities, with South Jordan ranking the highest. Following his remarks, Mr. Chalk proposed that the Board approve a 5% rate increase to both water and sewer for 2017.

Chairman Behunin and the Board thanked Mr. Chalk for his thorough and informative presentation. The Chairman asked the public if there were any comments or questions.

Patron: I worked very hard at conserving my water use this past year. I saved 34,000 gallons this summer and I hand watered my lawn with a hose and kept of journal of the water saved.

The General Manager read a letter from one patron that opposed the rate increase.

Trustee Swensen: Even though we need to increase water and wastewater rates, the District works with less employees than most districts. The Trustees in years past had the foresight to build wells and reservoirs that has continued to keep the District's cost down.

Trustee Russell: We applaud your efforts in conserving water and appreciate your attendance at this meeting.

Close the Public Hearing Following the comments the following motion was made by Trustee Swensen seconded by Trustee Russell:

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

Consider Resolution #16-03, Adoption of water and wastewater rates for 2017 Chairman Behunin read Resolution #16-03 to the Board. After discussion the following motion was made by Trustee Russell seconded by Trustee Swensen:

RESOLVED: To approve Resolution #16-03, the adoption of water and wastewater rates for 2017 as outlined and recommended by the General Manager. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Adjourn The following motion to adjourn the November 16, 2016 Public Hearing was made by Trustee Swensen seconded by Trustee Behunin:

RESOLVED: To adjourn the November 16, 2016 Public Hearing. The time was 7:10 p.m. The motion passed with the following individuals voting in the affirmative: Trustees Behunin and Swensen.

Action Items