

**MINUTES OF THE TAYLORSVILLE-BENNION
IMPROVEMENT DISTRICT BOARD MEETING HELD DECEMBER 17, 2014**

The regular monthly meeting of the Board of Trustees of the Taylorsville-Bennion Improvement District was held at 2:02 p.m. Wednesday, December 17, 2014, at the District office. Present were Trustees Behunin, Swensen and Russell. Also present were General Manager, Keith Lord; Assistant General Manager, Kevin Fenn; Engineer, Paul Hirst; Controller, Mark Chalk; and Secretary, Tami Fullmer. The General Manager and Board welcomed Todd Godfrey, the new District attorney, to the Board and the meeting. The prayer was offered by Keith Lord.

Consider Resolution 14-06, Recognizing William G. Gibbs for service to the District The General Manager recognized William G. Gibbs, the Attorney for the District for the past 57 years. He was instrumental in the creation of the District and is appreciated for his counsel, advice and guidance these many years. After reading the resolution the following motion was made by Trustee Swensen seconded by Trustee Russell:

RESOLVED: To approve Resolution 14-06, recognizing William G. Gibbs for his years of service, dedication and counsel to the District for the past 57 years. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Common Consent Items Minutes The Board reviewed and discussed the November 19, 2014 Board Minutes. After discussion the following motion was made by Trustee Russell seconded by Trustee Swensen:

RESOLVED: To approve the November, 2014 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, 2015 Board Meeting. Trustees Behunin and Swensen plan to attend. Trustee Russell will be out of town and excused. He also invited the members to the Employee Christmas luncheon which will begin at noon, December 24. The General Manager reported that three team building sessions will be held for the District staff and is optimistic that it will be a positive experience. He asked the Board to review the 2015 Conference schedule and contact him if they have a desire to attend any of the conferences that will be held so room reservations and registrations can be arranged.

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

Financial Report Accounts Payable Discussed: construction/operation and maintenance vouchers 29471 - 29679, including voided voucher 29584, for a total of 209 vouchers, with a dollar amount of \$868,758.29; payroll vouchers 2014558 – 2014585 and 2014586 - 2014613 for a total of 56 vouchers with a dollar amount of \$191,184.46. Trustee Russell inquired about a line item payment to Central Valley regarding projects. The General Manager explained that there is an amount paid each month in this category but is significant this month. 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 was passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Financials Report The Controller 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.

Certification of Delinquent Accounts to Salt Lake County Treasurer Mark Chalk, Controller, presented the certification for the month of December, 2014. After discussion the following motion was made by Trustee Russell seconded by Trustee Swensen:

RESOLVED: To approve the December, 2014 Certification amount of \$57,224.84. The motion passed with the following individuals voting in the affirmative: Trustees Behunin and Russell.

Manager's Report Consider approval of Board Meeting Schedule 2015 The General Manager presented the Board Meeting Schedule for 2015. After much discussion regarding changes and revisions made the following motion was made by Trustee Swensen seconded by Trustee Russell:

RESOLVED: To approve the 2015 Board Meeting Schedule as discussed and revised. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Consider approval of agreement for legal services The General Manager presented to the Board a contract for Hayes, Godfrey and Bell, to provide legal services for the District. The majority of the services will be performed by Mr. Todd Godfrey. After discussion the following motion was made by Trustee Swensen seconded by Trustee Russell:

RESOLVED: To approve the contract for legal services for the District to Hayes, Godfrey and Bell 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 Workers Compensation Fund insurance proposal The General Manager discussed the 2015 Workers Compensation proposal with the Board. There is a 16% premium increase over last year's quote before refunds because of additional claims. The District did not seek outside competitive bids this year because of refusal by other carriers to quote against Workers Compensation Fund in the past. Trustee Swensen explained that his son works for Workers Comp and asked the Attorney if there would be any conflict. The Attorney assured Trustee Swensen that knowledge of his son's employment was disclosed and should not be a problem. After discussion the following motion was made by Trustee Russell seconded by Trustee Swensen:

RESOLVED: To approve the Workers Compensation Fund Insurance Rate for 2015. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Consider approving surplus property: 2010 Ford F-150 pickup The General Manager explained that according to the new State Procurement Policy the District needs to disclose surplus property and Management plans to sell the truck in 2015. The District advertises in the local newspapers and on ksl.com for interested buyers. After discussion the following motion was made by Trustee Swensen seconded by Trustee Russell:

RESOLVED: To approve the sale of surplus property as recommended by the General Manager. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Discuss Resolution 14-07, Adopting A Water and Wastewater Impact Fee Facilities Plan The General Manager welcomed Matt Millis from Zion's Financial Group to address the Board regarding this issue. Mr. Millis reported that he and Management had presented the preliminary findings to the Board at the November, 2014 Board Meeting regarding the water and wastewater impact fees. The method of calculating water impact fees will be changed from an Equivalent Residential Unit measure to a meter size measurement. The proposed method will be more accommodating for non-standard type developments, irrigation accounts, or various projects that can be measured more effectively and capture the actual water used. The increase in the wastewater fee has resulted from the need to build new wastewater lines to expand capacity. There will continue to be a fixture unit charge on wastewater. Trustee Swensen inquired about schools and the impact fees they would be assessed. Mr. Millis explained that schools would not pay impact fees unless privately owned. Trustee Swensen is concerned by the misuse of outside water by the school district and would like to see changes. Mr. Fenn reported that Granite School District is becoming vigilant in attempting to use water more conservatively. The General Manager and Board thanked Mr. Millis for the report and review of the impact fees. Resolution 14-07 will be presented at the Public Hearing for public comments.

Consider approval of a revision to the Capital Construction Budget 2014 The Controller presented and discussed the current revisions for 2014. There is some dispute regarding the Wirthlin property that the District plans to purchase. There were some conflicts with the deed and boundary lines that need to be resolved. The Attorney explained that the title company has prepared a boundary line agreement in behalf of the affected parties, and when signed and executed, the District can move forward on the property purchase. The Controller highlighted some of the larger projects that were planned for 2014 but moved to 2015; Sewer CIPP Project has been moved to 2015 and the project amount was taken from 2014, The 4100 South Sewer Project will be completed in 2015, not 2014, as planned, so construction costs were moved from 2014 to the upcoming year, the Atherton East Well was pushed back to 2015 as well as the Reservoir Lid Repairs for a total of -\$2,018,750 to be moved to the 2015. After discussion the following motion was made by Trustee Swensen seconded by Trustee Russell:

RESOLVED: To approve the revisions in the 2014 Capital Construction Budget for a total of -\$2,018,750 as recommended by the General Manager. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Discuss Final Budget 2015 Mr. Chalk, Controller for the District reported the final 2015 budget and proposed the following: water and sewer rates to increase 4.3% from \$1.62 to \$1.69, per thousand gallons; average wage to increase 4.17%, which represents an increase of 2.0% for COLA and 2.17% for lane and performance advancement; Trustee Swensen asked where Management received the 2.0% COLA amount. The General Manager explained that he attempts to be consistent and bases the COLA increase from the Bureau of Labor and Statistics figure each year. Employee Health benefits to increase 6.2% and the Dental benefit to increase 8%; Utilities to have a slight increase of 5.68%; and the total O&M Budget will increase 1.33% for a total of \$149,638. Total Capital Construction projects total \$7,163,423 because approximately \$2,018,750 of the 2014 projects was postponed. Proposed decreases to the budget was Well maintenance which will decrease 14.14% for a total decrease of \$6,900. Oil and gas purchases are to decrease approximately 7.47% in an effort to limit mileage. Trustee Swensen had a question regarding the Barrington Park assessments. The General Manager explained that it was the reimbursement from Barrington Park for the upgrades the District made to their water and sewer lines. He reported that the reimbursement is complete but he and the attorney are conferring about additional maintenance costs that Barrington Park may need to pay. This item will be addressed at a future Board meeting. After discussion about several line items the General Manager explained that the Final 2015 Budget will be presented at the Public Hearing for public comment.

Legal Report Consider approval of Resolution 14-08, Adopting a Purchasing Policy Attorney, Todd Godfrey explained that the 2012 Utah State Legislature made a drastic overhaul on the State Procurement Policy. The grace period in which to implement the policy is the end of 2014. Mark Bell, Mr. Godfrey's partner, took the model from Utah Association of Special Districts and made some small revisions to fit the District which is compliant with state law. It is the Attorney's recommendation that the Board approve and adopt the policy with the changes. After discussion the following motion was made by Trustee Swensen seconded by Trustee Russell:

RESOLVED: To approve and adopt Resolution 14-08, the State Purchasing Policy, as presented by the Attorney. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Operations Report Water Usage & New Connections Mr. Fenn reviewed and discussed the water usage report with the Board and directed the schedules to be appended to the minutes.

Projects The CIPP/ Slip Lining project is set to begin February, 2015. The Atherton East Well Rehab is in progress. The chemical treatment is complete and tests are being conducted to assure that the treatment was a success. Mr. Fenn referred the Board members to the Projects in the Board book for their review. The Board thanked Mr. Fenn for his report.

Discuss Resolution 14-09, Conservation Plan Update Mr. Fenn discussed that the District is mandated by a Legislative Act in 1999 to have a Conservation Plan. The District plan is updated every five years but with very few changes since its conception because the District is within the 25% reduction of water use required by the State. It is necessary to approve a Conservation Plan Update and submit it to the State before the end of 2014. After discussion Mr. Fenn

explained to the Board that Resolution 14-09 will be presented at the Public Hearing for public comment.

Consider award of construction contract for the 2014-2015 Low Zone Tank Site Upgrade Mr. Fenn reported that Seasons Four Landscape submitted a bid on the Low Zone Tank Site Upgrade in the amount of \$305,000. They were the only contractor to submit a bid, the amount was reasonable, the bid is recommended by the Design Architect, and Seasons Four Landscape is allowed to operate within the new State Procurement code. After discussion the following motion was made by Trustee Swensen seconded by Trustee Russell:

RESOLVED: To award Seasons Four Landscape the contract for Construction Services for the 2014-2015 Low Zone Tank Site Upgrade in the amount of \$305,000. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Engineer's Report Consider approval of engineering services for Atherton East Well Rehab The Engineer reported that CRS will provide the engineering services for the Atherton East Well Rehabilitative Project, prepare the formal bidding documents and agreement with Widdison Turbine services, who can provide the professional cleaning that the well requires. The General Manager recommended that the Board award the engineering contract to CRS Engineers in the amount of \$18,500 to monitor the work to completion. Trustee Behunin inquired about the length of time the treatment will last. Mr. Fenn explained that the District's goal is to be proactive, to service one well a year to prolong the life of each well. The wells are being tested regularly and monitored to determine any potential problems. After discussion the following motion was made by Trustee Russell seconded by Trustee Swensen:

RESOLVED: To award CRS Engineers the contract for engineering services for the Atherton East Well Rehabilitation Project in the amount of \$18,500. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Final project completion report for Rawson Well Rehab The Engineer reported that the Rawson Well Rehabilitation has been finally completed following many months of effort. The work consisted of mechanical and chemical rehabilitation and redevelopment of the Rawson Well. Widdison Turbine Services completed the rehabilitation services for \$189,342.50 with a budget of \$150,000. After discussion the General Manager recommended that the Board award Widdison Turbine Services the final amount. The following motion was made by Trustee Swensen seconded by Trustee Russell:

RESOLVED: To award Widdison Turbine Services the final construction amount of \$189,342.50 for chemical rehabilitation and redevelopment for the Rawson Well Rehab. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Jordan Valley Water Conservancy District Report Nothing to report.

Central Valley Water Reclamation Facility Report Nothing to report.

Utah Association of Special Districts Report Nothing to report.

Public Hearing

At 4:00 p.m. Trustee Behunin asked for a motion to begin the Public Hearing. The following motion was made by Trustee Swensen seconded by Trustee Russell:

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

In attendance, was Trustee Behunin, Trustee Swensen, Trustee Russell, General Manager, Keith Lord; Assistant General Manager, Kevin Fenn; Controller, Mark Chalk; Attorney, Todd Godfrey; Matt Millis, Zion's Bank Financial; and Secretary, Tami Fullmer. No public was in attendance and the following motion was made by Trustee Swensen seconded by Trustee Russell:

RESOLVED: To adjourn the Public Hearing for December, 2014 at 4:05 p.m. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Consider adoption of Budget 2015 The following motion was made by Trustee Russell seconded by Trustee Swensen:

RESOLVED: To approve the 2015 Budget. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Consider adoption of Resolution 14-07, Adopting a Water and Wastewater Impact Facilities Plan The following motion was made by Trustee Swensen seconded by Trustee Russell:

RESOLVED: To approve the adoption of Resolution 14-07, Water and Wastewater Impact Facilities Plan. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Consider adoption of Resolution 14-09, Conservation Plan Update The following motion was made by Trustee Swensen seconded by Trustee Russell:

RESOLVED: To approve and adopt Resolution 14-09, the Conversation Plan Update. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Adjourn The following motion to adjourn the December, 2014 Board Meeting was made by Trustee Russell seconded by Trustee Swensen:

RESOLVED: To adjourn the December, 2014 Board Meeting. The time was 4:07 p.m. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Benjamin Bevan

Action Items