

MINUTES
TAYLORSVILLE-BENNION IMPROVEMENT DISTRICT
Board Meeting
Wednesday, December 20, 2017
Taylorsville-Bennion Board Room

Board Members Present

Ben Behunin	Chairman
Gary Swensen	Clerk
Don Russell	Treasure

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

Visitors

Matt Millis	Zions Public Finance
Melinda Greenwood	Jacques & Associates
Keith Larsen	Bowen & Collins
Dan McDougal	Office/Communications Manager
Ron Stock	Facilities & Fleet Coordinator

The Board Chair, Ben Behunin, opened the meeting at 2:05 p.m. and welcomed everyone to the monthly board meeting. The invocation was offered by Trustee Ben Behunin.

Approval of Common Consent Items

Board Meeting Minutes Trustee Behunin reviewed and discussed the November 15, 2017 board meeting minutes. After discussion, the following motion was made by Trustee Swensen seconded by Trustee Russell:

RESOLVED: To approve the November 15, 2017 board meeting minutes. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Canvass of Election Minutes The General Manager reviewed and discussed the November 21, 2017 canvass of election minutes. After discussion, the following motion was made by Trustee Russell seconded by Trustee Swensen.

RESOLVED: To approve the November 21, 2017 canvass of election meeting minutes. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Special Recognition Award Trustee Ben Behunin 24 years, Employee Service Award Lance Fisher 20 years The Trustees and the entire Board recognized and thanked Lance Fisher for his 20 years of dedicated service to the district. The General Manager indicated that Lance is an outstanding District employee. The General Manager formally recognized Trustee/Chair Ben Behunin for his 24 years of dedicated service to the employees and the community of the Taylorsville-Bennion Improvement District. Trustee Behunin expressed gratitude for the luncheon provided in his honor and acknowledged appreciation for the several friendships developed over his time served.

Calendar The General Manager reviewed the January calendar. He outlined that the January board meeting will be held on January 17, 2018 at 4:00 pm and will be followed by a public hearing at 6:00 pm. Trustees Swensen and Russell confirmed their attendance. The General Manager proposed a rate study work session on January 11, 2017 at 3:00 pm. Trustees Swensen and Russell indicated that the date would work with their schedule. Mr. Lord stated that he had invited Dan McDougal and Ron Stock, District employees, to sit in on today's board meeting.

ACTION ITEMS

Administrative Policies and Procedures

Consider conservation programs offered by Jordan Valley and District's participation Office/Communications Manager, Dan McDougal, presented the conservation programs offered by Jordan Valley. He stated that JWCD continues to work on its goal to reduce water usage by 25% by the year 2025. In an effort to meet that goal six (6) "turnkey" water conservation programs have been created for the member agencies and facilitated through a new website- Utah Water Savers. Mr. McDougal indicated that District management recommends to make only the following five (5) of the six (6) programs available to District customers: (1) Landscape Consultations, (2) Switch2Drip, (3) Toilet Replacements, (4) Localscapes University Rewards, and (5) Smart Controller Rebates. The District would not participate in the Flip your Strip Turnkey program. Trustee Russell inquired on the administrator and broker of the programs. Mr. McDougal indicated that Jordan Valley would administer and broker the programs. Assistant General Manager, Mark Chalk, remarked that the District would be expected to provide the marketing and it would be in the District's best interest to be represented at the site visits for the water conservation program. After discussion, the following motion was made by Trustee Swensen seconded by Trustee Russell:

RESOLVED: To approve the District management's recommendation to make five (5) water conservation programs offered by Jordan Valley available to customers. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Consider District's letter of endorsement for Don Russell to the Jordan Valley board The General Manager remarked that Trustee Swensen had suggested a letter of endorsement from the Board on behalf of Trustee Don Russell to serve on the Jordan Valley Water Conservancy District board. The General Manager indicated that he had already sent an email to Michael Mower previous to this letter. After discussion, the following motion was made by Trustee Swensen seconded by Trustee Behunin:

RESOLVED: To approve the endorsement letter on behalf of Trustee Don Russell to serve on the Jordan Valley Water Conservancy District board. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Consider new selection for District representative to Central Valley board The District Manager noted that a new selection for a District representative to Central valley board would be required. Trustee Swensen remarked that since Trustee Russell will probably get appointed to the Jordan Valley board that he would like to be appointed to serve on the Central Valley board. After discussion, the following motion was made by Trustee Russell seconded by Trustee Behunin:

RESOLVED: To appoint Trustee Gary Swensen to serve on the board for Central Valley. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Consider agreement with Summit Vista project The General Manager presented an agreement to be discussed and approved with a residential project known as Summit Vista. The development would be made up of public and private water lines. The District will supply the development at a wholesale rate to be determined in the current ongoing rate study. Because of difficulties with the project, the District's responsibilities will end at the meter. The District is recommending that, because of the private lines, it becomes a public drinking water system. Trustee Behunin inquired if the attorney had been involved in these types of developments. The Attorney stated that not exactly in this type of development but he had been involved in PUDs as well as parks, roads and drench systems going from private to public. Trustee Russell inquired on the wholesale rate for this development. He was informed that the rate would be addressed in the ongoing rate study. Trustee Behunin inquired if the water would need to be pumped up to the 7th floor or if the water pressure would be enough. Mr. Fenn explained that in order to comply with the fire protection requirement on the upper levels the developer is installing a booster pump to increase the pressure in the lines. Trustee Behunin expressed concern on how the District is going to collect fees. The General Manager explained that this development is still subject to impact fees and the wholesale rate would only apply to the water purchased. The District would still provide sewer service. The Attorney and the General Manager requested that, because the document needs a few revisions, the Board approve the agreement subject to those revisions. After discussion, the following motion was made by Trustee Swensen seconded by Trustee Russell:

RESOLVED: Approved the Attorney and the General Manager's request to approve the agreement with Summit Vista subject to the revisions. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Consider re-opening and amending the 2017 budget The General Manager requested re-opening and amending the 2017 budget. Assistant General Manager, Mark Chalk, outlined the revised items on the budget (see attached schedule for detail). With the proposed changes the budget was reduced by \$1,522,427. Trustee Swensen inquired on the status of the time extension agreement on the Wirthlin property. The General Manager remarked that the well has been completed but the agreement has not yet been signed. The Attorney stated that he feels confident regarding this agreement. After discussion, the following motion was made by Trustee Russell seconded by Trustee Swensen:

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

Report: General Manager- Staff changes, review changes to Tentative Budget, public hearing info The General Manager informed the board that since Tami Fullmer retired Dora Dominguez is now officially the new Office Supervisor/Executive Assistant. He noted that Sharon Bridge, a Customer Service Representative that worked for the District for 8 years, was a great employee but decided to resign to take care of personal matters. Kenny Curfew who has been a District employee for almost two years working in the sewer department has been transferred to the office as a Customer Service Trainee to take Ms. Bridge's position. Office Supervisor/Executive Assistant, Dora Dominguez stated that Kenny has been a great addition to the office, he is fitting in well with the staff and the office is taking advantage of his field experience. The General Manager also informed the Board that the sewer department will be hiring two more sewer employees in 2018. Mr. Lord discussed the revisions to the Tentative Budget (see attached schedule for detail). He noted that revenues on the Tentative Budget reflect that there will be no water rate increase in 2018 and that the District's investments performed a little better than anticipated.

Public Hearing

The Board Chair, Ben Behunin, opened the Public Hearing at 3:03 p.m. In attendance were Trustees Behunin, Swensen and Russell; General Manager Keith Lord; Assistant General Manager, Kevin Fenn; Assistant General Manager, Mark Chalk; Attorney, Todd Godfrey; Engineer, Paul Hirst; and Office Supervisor/Executive Assistant, Dora Dominguez. Employees Dan McDougal and Ron Stock were also present. There was no public present. The following motion was made by Trustee Russell seconded by Trustee Swensen:

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.

Presentation of 2018 Budget Assistant General Manager, Mark Chalk, referred to the Tentative Budget 2018 in the Board book and remarked that the General Manager had

already discussed the revisions to the 2018 Tentative Budget. He inquired if the Board would like to go over the revisions or the budget summary one more time, the Board declined. Trustee Behunin, opened the hearing to the Trustees for any questions. The Trustees had no questions. He invited any comments from the public and/or visitors. There was no response. The following motion was made by Trustee Behunin 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 17-07, adoption of 2018 Budget O&M and Capital Construction After discussion, the following motion was made by Trustee Russell seconded by Trustee Behunin:

RESOLVED: To approve Resolution 17-07, adoption of 2018 Budget O&M and Capital Construction. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Consider approval of preliminary decisions on rate study update The General Manager introduced the Zions Bank Public Finance Team that is doing the rate study. Keith Larsen, a member of the Rate Study Team, led the discussion and focused on the cost of service side of the study. He briefly reviewed the revenue needs and indicated that there would need to be slight increases in the water and sewer rates starting in 2019-2022. Mr. Larsen recommended a block rate structure that would incorporate four different increasing blocks. Trustee Russell inquired regarding the way the rate would be calculated and if it would be charged at the highest block rate. It was explained that the volume would be charged at its own block rate. The General Manager indicated that for the average user their bill under the new rate structure should have minimal change to the cost. Mr. Larsen explained that there would be a discount in the availability charge per unit in the multi-unit accounts. He also addressed the special case of the mobile home developments and that they would receive their own calculated credit. The biggest change in the new rate structure will be in the single family and multi-family users. It is planned that the other non-residential accounts such as commercial buildings, schools, churches, etc. will be billed at a flat rate. Ms. Greenwood remarked that the District is planning on disseminating the message of the rate structure change to the customers through various channels such the bill stuffers, notice in the newspaper and social media accounts. Ms. Greenwood reviewed the public information timeline and acknowledged that some of the dates need to be revised. No motion needed.

Consider approval of 2018 board meeting dates The General Manager presented the proposed board meeting dates for 2018 to the board. After discussion, the following motion was made by Trustee Swensen seconded by Trustee Russell:

RESOLVED: To approve the 2018 board meeting dates as discussed. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Consider approval of an Education Reimbursement application and agreement The General Manager presented to the Board a request for an Education-Training Reimbursement for District employee, Dora Dominguez. After discussion, the following motion was made by Trustee Russell seconded by Trustee Swensen:

RESOLVED: To approve the education reimbursement application and agreement for Dora Dominguez. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Consider approval for Christmas gift of food to employees The General Manager discussed with the Board approving a selection of either ham, pork or beef to give each employee as a Christmas gift. After discussion, the following motion was made by Trustee Russell seconded by Trustee Swensen:

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

Consider holding a rate review work session on January 11th at 3:00 pm The General Manager requested a motion to approve the proposed rate review work session on January 11, 2018 at 3:00 pm. After discussion, the following motion was made by Trustee Russell seconded by Trustee Swensen:

RESOLVED: To approve the proposed rate review work session on January 11, 2018 at 3:00 pm. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Engineering & Construction

Consider easement release Assistant General Manager, Kevin Fenn discussed the partial vacation of easement agreement for a hydrant at the old RC Willey building. There is now a new Popeye's restaurant at that location. Mr. Fenn remarked that the District had signed a similar partial vacation of easement when the Starbucks was built. Mr. Fenn stated that a new hydrant has been constructed and an easement will be recorded. After discussion, the following motion was made by Trustee Russell seconded by Trustee Swensen:

RESOLVED: To approve the easement release at the old RC Willey building and authorized the General Manager to execute the agreement. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Consider Variance to Regulations for a single Residential Unit Assistant General Manager, Kevin Fenn, requested a Variance to the Regulations for a single residential unit. He explained that a customer is building a second residential building on an existing lot. Mr. Fenn noted that there is a conflict in the District's Rules and Regulations and Taylorsville City Ordinance where the District states that each building must have its own meter and one

lateral. Taylorsville City states that a single family residence must only have one meter and one lateral. The Attorney acknowledged that this is an unusual situation and that more cities are adopting this ordinance to make housing more affordable. These units are not intended to be used as rental units but to be occupied by family members in need. Mr. Fenn noted that this home is being granted a two year conditional use permit. Every two years the permit would have to be renewed. Impact fees will be collected. The General Manager indicated that, because this is a Variance to the Regulations, management brought it to the Board for approval. He inquired if the Board would like to see variances in the future. The Attorney suggested that if there is a technical deviation where it would not have an effect on the overall system it would be acceptable for the District to make a decision without bringing it to the Board. He indicated that if it is a hard deviation, where it would affect the system, it would be pertinent if it was brought before the board so that there would be minutes and it would be better solidified. After discussion, the following motion was made by Trustee Swensen seconded by Trustee Russell:

RESOLVED: To approve the Variance to Regulations for a Single Residential Unit. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Financials

Consider approval of a change in banking services provider Assistant General Manager, Mark Chalk, reported that with the assistance of Dora, the Office Supervisor, and at the request of our Board, the District financial services were reviewed. As a part of this review, the District requested proposals from seven different financial institutions. All of these institutions are qualified depositories as identified and qualified by the Utah Money Management Council. These institutions were: Key Bank, Zions Bank, US Bank, Chase Bank, Wells Fargo Bank, Mountain America Federal Credit Union (MACU) and America First Credit Union. Because MACU's net fees came in the lowest, the District asked for a demo of their remote deposit software and internet interface. Both were found to be superior than our current set up with Key Bank. Mr. Chalk remarked that MACU is larger than many of the banks that we reviewed and provides financial services for more than 43,000 businesses. The District's monthly fees of about \$638.28 would drop to a \$960.96 credit. Steve Deleeuw would be our Relationship Manager and he has proven to be both professional and helpful. Trustee Behunin inquired regarding the proposal from Key Bank. Mr. Chalk stated that Key Bank's proposal came in with zero fees but there was a big difference comparing them to MACU where the District would net \$960.96 credit. After the review of these proposals and discussions with each of the financial institutions, District Management would recommend that MACU be awarded to be the District's financial services provider. After discussion, the following motion was made by Trustee Swensen seconded by Trustee Russell:

RESOLVED: To approve District Management's recommendation to award MACU as the District's financial provider. 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 35707-35884, for a total of 178 vouchers, with a dollar amount of \$991,277.29; payroll vouchers 2017672- 2017736, 35729-35731, for a total of 65 vouchers in a dollar amount \$274,749.50. Trustee Swensen inquired on voucher #35750 to Interior Solutions. Mr. Chalk explained that the couch in the lobby needed to be replaced. After 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 & Maintenance

Report: Assistant General Manager CAO: November financials, graphs, certification report, EUM Assistant General Manager, Mark Chalk, reviewed the certification for the month of December in the amount of \$55,512.80. Trustee Behunin inquired if by certifying the District would collect payment at a faster rate than if we shut water off for non-payment. Mr. Chalk indicated that eventually all the certifications get paid. Mr. Lord noted that the District does not shut water off for non-payment. Mr. Chalk reviewed the documents regarding the strong financial position of the District.

Report: Assistant General Manager COO: November 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. Mr. Fenn reported on the following projects: Nelson Replacement Well (Land) -- The Land portion of this project is complete. Money has exchanged hands. Swensen Well House- The Well house is almost complete. Rocky Mountain Power needs to install the power meter and at that point the pump can be tested. CIPP Rehab Project – TBID met with UDOT this morning regarding the permit requirements. Most of the work will be completed by the middle of March. Auxiliary Power- Valley Well— Specifications are being finalized. The District is preparing to bid. Rate Study-- Discussed earlier during this Board Meeting. Low Zone Tank Lid Resurfacing— Construction has been completed. There is one item that needs repair. The District will probably withhold money and will take care of that item in the spring since it is temperature sensitive. Bangerter (Reimbursement) -- The District is waiting to be reimbursed. There is still an agreement to be drafted. UDOT agreed to install CIPP in the sewer lines, the District expects for it to be completed in the next couple of months. Bangerter Water line Park Bypass -- The design has been completed. The District is coordinating with Salt Lake County to be able to record easements needed. Sewer Master Plan Phase 1 -- The initial evaluations on the trunk lines has been performed. Tay West Rehabilitation -- Construction has already began.

Report: Communication Manager –Emergency Functional Exercise -- The General Manager stated that on November 9, 2017, Dan McDougal, Shawn Robinson and Lance Fisher participated in an Emergency Functional Exercise along with 70 other people, representing 23 agencies at the State Capital Building. TBID employees were impressed with the

exercise. Mr. Lord remarked that Dan McDougal has taken on more of the risk management and safety functions of the District.

Report: Engineer – Nothing to report.

Report: Attorney – Nothing to report.


Report: Trustee – Central Valley Water Reclamation Facility -- Trustee Behunin remarked that Central Valley is getting ready to bid on new projects.

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

Report: Trustee – Utah Association of Special Districts Trustee Russell reported that the USAD is preparing to begin tracking the legislations.

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

RESOLVED: To adjourn the December 20, 2017 Board Meeting. The time was 4:34 p.m. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.



Don Russell, Chair of the Board of Trustees

Action Items

No action items