

Minutes
TAYLORSVILLE-BENNION IMPROVEMENT DISTRICT
Budget/Strategic Planning Meeting
Wednesday, September 27, 2017
Taylorsville-Bennion Board Room
8:00 a.m.

Board Members Present

Ben Behunin	Chairman
Gary Swensen	Trustee
Don Russell	Trustee

Staff Members Present

Keith J. Lord	General Manager
Kevin Fenn	Assistant General Manager
Mark Chalk	Assistant General Manager
Dan McDougal	Office/Communications Manager
Shawn Robinson	Operations Manager
Paul Hirst	Engineer
Dora Dominguez	Secretary

The Board Chair, Ben Behunin, opened the meeting at 8:05 a.m. and welcomed everyone to the budget/strategic planning meeting. The Invocation was offered by Paul Hirst.

Current and Future CIPP Project

The Engineer reported that the CIPP Project for 2017 is expected to be completed in October. He outlined the upcoming and future CIPP projects for consideration.

Upcoming CIPP Projects

- 2018/2019 Install sewer liner on Redwood Road from 4700 South north to 4100 South and continue on 4100 South from Redwood Road to 1300 West. This will complete the work done on this major trunk line.

Future CIPP Projects for Consideration

- Install sewer liner on 5400 South (Redwood to 2700 W)
- Install sewer liner on 4700 South (Redwood to 2700 W)
- South Trunk Line

Auxiliary Power

The Engineer stated that CRS is preparing the bid package for this winter on the Auxiliary Power at the Valley Well project. He proposed future Auxiliary Power sites such as the Atherton Wells and 5200 West Boosters. Assistant General Manager, Kevin Fenn, remarked that the District's benchmark has been to be able to meet indoor winter demand which can be accomplished with the Valley Well. The District would be able to

meet about 150% of indoor winter demand with Auxiliary Power at the Atherton Wells, but this would also allow redundancy to the Valley Well's auxiliary power.

Well Status Updates

The Engineer informed the Board that most of Taylorsville-Bennion Wells are Class I wells as they produce high quality water.

The Engineer listed the District Wells:

<u>Class I</u>	<u>Class I (cont)</u>	<u>Class II</u>	<u>Class III</u>
Barker West	Valley	Rawson	Meadowbrook
Atherton East	Pioneer		Fairway
Tay West	Atherton West		
Tay East	Swensen		

Well Sampling Results and Rehab Schedule

Mr. Fenn reported the well sampling results for the Tay West Well. He noted that the first Well Rehab was successful and the Iron Bacteria results came in at 15 mg/L but the Specific Capacity has declined and will be treated again this winter. Then, this well is expected to produce high quality water for many years to come. Mr. Fenn stated that in regards to well rehabs, determining factors should be specific capacity and iron bacteria.

The Engineer listed the Well Rehab Schedule:

• Tay West (2017)	Barker West (2021)
Atherton East (2018)	Pioneer (2022)
Atherton West (2019)	Valley (2023)
Tay-East (2020, on watchlist)	

Trustee Behunin inquired on the cost of the Rehab for the wells, the General Manager informed that it could cost from \$150,000-\$200,000.

Well Replacement Program

The Engineer reported that the Swensen Well is scheduled to go online in November 2017. The Millrace Well test results did not show good quality water, the District tried drilling deeper with the same result. The Engineer noted that the following wells are in the outlook for the future.

- Wells of the Future:
Barker Mega Well (2028)
Atherton Mega Well (2035)
Additional Well (Rawson vs. Golf Course vs. Sorensen)

Project Outlook

- Low Zone North Booster Water Line (2018) – The Booster Station water line needs an upgrade in size to continue to run optimally.
- Redwood Road Sewer Manhole Upgrades (2020) – Upgrade to reconfigure and get new lines due to a large Senior Living Center being constructed.
- Low Zone North Booster (2020) – Due to their age the Booster Station needs upgrades.
- Low Zone South Booster (2020) – Due to their age the Booster Station needs upgrades.
- 10-inch Redwood Road Water Line Design (2020) – The project is for this water line to help deliver water going south.
- Bangerter Water Line - This is the water line buried under the Bangerter Highway. The District is expecting to have this water line relocated this winter. This was an emergency project.
- IFFP Update (2018-19)

Future Planning

The Engineer acknowledged that the District needs the following updates to keep up with the changing zoning conditions:

- Sewer model update (2017-18)
- Water model update (2018)
- Sewer master plan update (2018)
- Water master plan update (2018-19)
- IFFP update (2019-20)

Water Demand Update

The Engineer reported that comparing the District water rights to the water demand, the District is in good standing. He discussed a study completed in July 2017 by the University of Utah regarding the increase in population into 2050. The Engineer converted this information into Fixture Units and stated that based on that study the District Fixture Units could have a small decrease by the year 2050. Therefore, as long as the same amount of water is produced, the District should continue to be in good standing.

To 2050 and Beyond

The Engineer listed possible projects for consideration to year 2050:

- Future CIPP on Trunk Lines
- Planning Studies
- New Tanks
- Chlorine at Pioneer (other Wells)
- Replace existing 24-in Transmission Line
- Continued Well Replacement and Rehab
- Secondary Water System
- Solar Power

Central Valley Water Reclamation Facility Update

Assistant General Manager, Mark Chalk, reported that Central Valley Bonded 50 million dollars. The District was able to pay its portion in cash and did not have to participate in the bonding. Central Valley will move \$11.7 Million in Capital Projects into 2018. This will cause TBID's cash on hand at the end of the year to be above the original projected amount. This amount will drop as soon as the capital projects are completed at Central Valley. Mr. Chalk noted that the District paid off the Central Valley loan. The District's contribution to the Capital Projects are determined by the 12 month rolling average of the Operating and Maintenance Costs (O & M). Trustee Swensen inquired if the other entities have been able to stay on track with their payments to Central Valley. Trustee Behunin confirmed that to the best of his knowledge the other entities are current on their payments. The General Manager noted that Central Valley will be offering their employees a salary increase of 2.5 percent for COLA, 2.05 for percent merit, 1.38 percent for annual step increases. He also stated that the cost of operations, maintenance, contract services, utilities and chemicals are increasing. Mr. Chalk added that the state will allow Central Valley to keep the same discharge line into the Millcreek instead of constructing a new pipeline to the Jordan River, if they can comply with testing standards. This will save Central Valley \$5.5 to \$6 million dollars.

Non-Revenue Water

The Operations Manager, Shawn Robinson, reported on the Non-Revenue Water (NRW). He indicated that the District has been tracking NRW for the past two years to help identify some of the losses in the following categories: Unbilled metered consumption, sprinklers at a TBID property would fall into this category. Unbilled unmetered consumption, the District sewer flushing truck is under the unbilled unmetered consumption. Trustee Behunin inquired on the amount of water used on the flushing truck. Mr. Robinson stated that a meter was placed on the flushing truck at the beginning of the year and last time the meter was checked it read almost 10 acre feet. Unauthorized consumption, people using fire hydrants without a permit or installing jumpers illegally are some of the examples in this category. Trustee Swensen inquired about the procedure when an illegal jumper is found. Mr. Robinson stated that immediately the jumper is pulled and the District places a lock on the meter to prevent further use. Customer metering and data inaccuracies, Mr. Robinson remarked that a meter batch was tested at 98.5% accuracy which still meets the AWWA recommendation. According to the AWWA the life of a meter is 20 years. The District residential meters were replaced 10 years ago but can already see a drop in accuracy. The General Manger stated that the commercial meters were not replaced 10 years ago but the District keeps a close look at the billing every month. Trustee Swensen inquired about the top 2 categories for NRW. Mr. Robinson noted that customer metering and data inaccuracies are the top categories. He acknowledged an upward trend on NRW. The District has been proactive to become a part of the AWWA Free Water Audit. TBID will be meeting with AWWA by the end of 2017 to receive input and hopefully help the NRW trend level out or go downward. Mr. Fenn noted that this Audit will soon become mandatory.

Project Review—10 year Outlook

- CIPP
- Redwood Road Manhole Upgrade
- Bangerter Water Line
- Redwood Road (10-in water line)
- Subdivision Water Line Replacement – The District has identified areas that based on age, pipe material and failure history might need to be replaced in the coming years.
- Treatment Station Rehab – Millrace, Plymouth view are 13-14 years old and it is time to replace the electrolyzers.
- Auxiliary Power
- Booster Stations Rehab – Consider refurbishing an existing Booster Station
- Landscaping – The east side of the north Reservoir tanks on 6200 South is the last part of the landscaping that needs to be completed.
- Water Meter Replacement – The District expects to replace the meters in 2021-2022.
- Water and Sewer system model update – Upgrade needed to become more accurate
- Building remodel –Consider a new building for storage, a new drive up approach, roofing.
- Large truck replacement

Trustee Behunin inquired if the District has the intention of purchasing more water rights. The General Manager remarked that the District is comfortable with the current water rights. The amount on the budget under water rights is mainly for maintenance and protection of the current water rights.

Taylorville City Census and Safety Report

The Office/Communications Manager, Dan McDougal, reported on the Taylorville City Census and Safety Report.

- Risk Management, Mr. McDougal indicated that since 2013 there has been 11 injuries including 3 contusion/crushes, 3 sprains, 2 infections or inflammations, 1 dislocation/fracture, 1 laceration/puncture and 1 burn injury. Two of those injuries occurred in 2017 with one being a hand injury and another one being a finger(s) injury. In all cases, the employees fully recovered. Trustee Swensen inquired on how the District is able to determine liability on an infection injury. Mr. McDougal explained that there is a series of questions he inquires on to determine liability, whether it is a laceration on the job or if infectious materials have been handled. Mr. McDougal reported that year to date there have been 8 Property and Vehicle damage incidents.
- Emergency Response, Mr. McDougal informed to the board that as part of the District Emergency Preparedness, the District has created an Employee Area Captain Program. In case of a natural disaster, the Area Captain is responsible

to check on the wellbeing of his assigned employees and their ability to respond to the District. In addition, there has been two way radios assigned to the District Management and Area Captains.

- Regional Resilience Assessment Program (RRAP)

This Homeland Security sponsored program is an assessment of specific critical infrastructure. There has been an ongoing 18 month process of research, interviews and analysis of the Salt Lake valley water and wastewater systems. On November 8, 2017 there will be a Functional Exercise at the State Capitol where the District will meet with other entities such as JVWCD, DEQ, EPA, and the State Emergency Operations Center to test some of the findings in the assessment. Trustee Swensen requested a report back after the Functional Exercise.

- Conservation and Census

Mr. McDougal remarked that the District has met its mandate regarding water conservation. The District has been notifying customers of continuous flow at their property in their monthly bills. Mr. McDougal discussed The Low Zone Reservoir Site water usage. He stated that in July 2017 the water usage spiked up compared to last year due to July being a hot record month. The Low Zone Reservoir Site usage was about the same as last year. The District decided to water less in the area that is not so visible from the street. Mr. McDougal reported that the population from the Taylorsville Census is very consistent for the last few years.

Market Investments/Status Update

Jason Williams, Financial Advisor with Moreton Investments, gave the Board an overall Market Landscape. Mr. Williams reviewed all of the District's investments including liquidity, rates of return and holdings. He reaffirmed with the Board that Moreton is an Authorized Advisory Firm and Broker with the Utah Money Management Council. Mr. Williams noted that the monthly net income has more than doubled since investment inception. He acknowledged that the District has earned \$232,520.28 in interest in the last 2 years.

10 yr Financial Outlook

Mr. Chalk reported on the Financial Outlook of the District for the next ten years.

- Cash balances

Because of delayed capital projects the end of year cash on hand will be over \$2 Million the desired limit set by the Board. During the discussion, Trustee Swensen recommended to get competitive quotes for the District banking services.

- Financial Health

Mr. Chalk indicated that the District is financially stable. He noted since 2003, that even though the rates have gone up the water sold has stayed relatively flat and revenue from water sold has increased only slightly. The District is still anticipating a need to bond with Central Valley in the next two or three years.

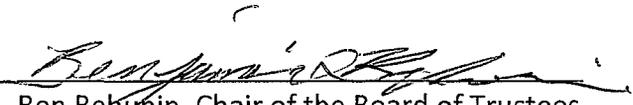
Mr. Chalked reaffirmed with the Board that the District is on track to meet the Board's goal of 15 million in reserves by 2024. He emphasized the need to reevaluate the reserve for Central Valley. He pointed out that each entity member of Central Valley is responsible to have emergency reserves for Central Valley as they do not keep any reserves. Our portion of this emergency reserve could be between \$4 and \$5 million. Mr. Chalk indicated that the rate review is underway and it will be interesting to see how the tiered structure affects the water sold.

Review Labor Force

The General Manager discussed the labor force and benefit review. He outlined that there are three employees that have announced their retirement to the District. Tami Fuller, Office Supervisor/Executive Assistant, will retire in December 2017. Ron Dawson, Facilities and Fleet Manager and Steve Webb, District Inspector, will retire in July 2018. Trustee Behunin thanked the District Management for their transparency with the Board and their dedication to the District.

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

RESOLVED: To adjourn the September 27, 2017 Board Meeting. The time was 12:00 p.m. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.


Ben Behunin, Chair of the Board of Trustees