

**MINUTES OF THE TAYLORSVILLE-BENNION
IMPROVEMENT DISTRICT BOARD MEETING HELD NOVEMBER 16, 2011**

1. The regular monthly meeting of the Board of Trustees of the Taylorsville-Bennion Improvement District was held Wednesday, November 16, 2011 at the District office. Present were Trustee Behunin, Trustee Swensen and Trustee Russell. Also present were General Manager, Keith Lord; Assistant Manager, Kevin Fenn; Attorney, Bill Gibbs; Engineer, Paul Hirst; and Secretary, Tami Fullmer. Stuart Young and Jan Erdmann representing Wells Fargo Insurance were also in attendance. The prayer was offered by Kevin Fenn.

2. **Public Comments** No public was in attendance.

3. **Common Consent Items** Minutes Upon review of the October 24, 2011 Board Meeting minutes motion was made by Trustee Swensen seconded by Trustee Russell and unanimously approved the October, 2011 minutes. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Monthly Calendar of Events The General Manager noted that the December 21, 2011 Board Meeting will begin at 3:00 p.m. and Budget Hearing to follow at 4:00 p.m. All Trustees plan to be in attendance.

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

Accounts Payable Discussed: construction/operation and maintenance vouchers 24256 - 24336, for a total of 81 vouchers with a dollar amount of \$1,294,002.19; payroll vouchers 2011513 - 2011539 and 2011540 - 2011566 for a total of 54 vouchers with a dollar amount of \$130,225.87. Motion was made by Trustee Russell seconded by Trustee Swensen and unanimously approved the accounts payable. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Financial Report Documents regarding the financial position of the District were reviewed and discussed for November, 2011. After a thorough review of the report as contained in the Board Book, it was directed to be appended to the minutes.

Water Production, Water Cost and Water Usage Reports The Board reviewed and discussed the reports and directed the schedules to be appended to the minutes.

Proposed 2012 conference schedule The General Manager reviewed the 2012 Conference schedule with the Trustees.

4. **Consider property and liability insurance proposal by Wells Fargo** The General Manager invited Stuart Young of Wells Fargo Insurance to report to the Board. Mr. Young explained that the 2012 premium amount has increased 6%, which is about \$4,000.00 for a total premium of \$78,579.00. The increase is due to lack of credits, claims and growth. He discussed the Callaway Apartment claim, which occurred in March, 2011, is considered closed but there may be lawsuits in the future. A second, recent claim involves the pipe-lining company, Insituform, which caused flooding at an apartment complex. Insituform has taken responsibility for the damage, with some of the claims settled and others not yet completed. After much discussion and review of the schedules for District property, equipment, earthquake and flood insurance, motion was made by Trustee Russell seconded by Trustee Swensen and unanimously approved the General Manager's recommendation to award the District's insurance policy to Arch Insurance in the amount of

\$78,579.00. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

5. **Approve Certification** The General Manager discussed the Certification amount for the month of November, 2011 and explained that the total amount is large because there were no certifications done in the month of October. Motion was made by Trustee Swensen seconded by Trustee Russell and unanimously approved the Certification amount of \$144,810.41. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

6. **Legal Report** **Consider and discuss impact fee law changes** The General Manager, the Engineer and the Attorney met to discuss the changes regarding the impact fee plan which occurred in the 2011 Legislature. The decision of this group recommended to the Board that there are changes to the law that the District needs to comply with. One of the changes requires the compiling of an impact fee facility plan with an engineering firm needing to certify that the District has done this properly. An additional certification is required from the person who prepares the analysis. The General Manager reported that he was contacted by Matt Millis, a consultant who is qualified to perform the analysis and certify the District. Mr. Millis works for Zion's Bank and has been a consultant for Jordan Valley Water Conservancy District and comes highly recommended. The cost for Mr. Millis's professional service would be \$13,000.00. The Attorney is bothered with the new law and will contact LeGrande Bitter, Executive Director of Utah Association of Special Districts, and other parties to enact changes to the law to be more favorable toward Special Districts. After much discussion motion was made by Trustee Swensen seconded by Trustee Russell and unanimously approved to hire Matt Millis for the purpose of certifying the District. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

7. **Manager's Report** **Discuss budget 2012** The General Manager presented the 2012 Tentative Budget to the Board. He reported some projected increases as well as decreases in other areas of the budget and represents a 1.8% increase from 2011. He has recommended a 3% cost of living increase for employees as well as a rate increase of \$1.40 to \$1.47 on water and sewer rates for the upcoming year. After much discussion motion was made by Trustee Swensen seconded by Trustee Russell and unanimously approved to adopt the 2012 Tentative Budget. The motion passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Present proposed board meeting dates for 2012 The General Manager presented the proposed 2012 Board Meeting Schedule. After much discussion regarding some calendar conflicts the General Manager will make the proposed changes and present the 2012 Board Meeting schedule at December's board meeting.

Rate and Mil levy comparison schedule The General Manager presented a schedule which showed revised rate comparisons from last month and several of the Districts mil levies for the Board's review.

Set time and place of budget hearing - December 21, 2011 The General Manager indicated that according to State Statute the Board set a time and place for the December budget hearing. Motion was made by Trustee Russell seconded by Trustee Swensen and unanimously approved for the District Budget Hearing to be held Wednesday, December 21, 2011 at 4:00 p.m. in the Board

Room. The motion was passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Convene board of canvass meeting to appoint trustees for new terms - 2012-2015 The General Manager reported that a board of canvass, which are the Trustees, needs to appoint Trustee Swensen and Russell as duly appointed trustees for the terms 2012 - 2015 because they ran for their respective offices unchallenged. Motion was made by Trustee Behunin seconded by Trustee Swensen and unanimously approved the appointment of both Trustee Swensen and Trustee Russell for the 2012 -2015 term. A letter will be sent to Greg Bell, Lieutenant Governor of the State of Utah, informing him of the appointment. The motion was passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Discuss employee Christmas gift The General Manager asked for the Board's consideration for an employee Christmas gift. After much discussion motion was made by Trustee Russell seconded by Trustee Swensen and unanimously approved to purchase a ham or roast as a Christmas gift for each employee from the Board. The motion was passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

8. **Engineers Report** The Engineer had nothing to report.

9. **Construction & Operations Report** Projects under construction
5 MG Reservoir The Reservoir is being disinfected and filled next week. Testing and back-filling should be completed by December 1, 2011.

3900 S Lift Station The new gates are being installed and the lift station is being 100% bypassed at the present time. The contractors are working around the clock to complete the project. They are removing and replacing the first screw and the project should be close to complete within a month.

Valley Well Packets have gone out for contractors to pre-qualify to bid on the Valley Well and the District is waiting to receive them back.

Valley Well Water Line All the pipe has been delivered and the boring contractor should begin drilling the line under the Jordan River approximately November 30 to December 1, 2011.

Justin Perkins Project This project has been completed and signed off.

10. **Jordan Valley Water Conservancy District Report** Trustee Swensen reported that the Jordan Valley Board approved a \$50 million dollar water revenue bond that will fund future capital projects that include the Southwest groundwater project, seismic upgrades, chemical feed upgrades to the treatment plant and changes to the administration building. The Conservancy District received an extremely good report regarding a bond from the two rating agencies; Fitch gave an AA rating and Standards and Poor increased the rating to AA+. There has been a lot of discussion about a waterline project to construct a pipeline from Lake Powell to the southern Utah area. The Utah State task force is looking for ways to fund this project.

11. **Central Valley Water Reclamation Facility Report** Nothing to report.

12. **Closed Meeting** Discuss competency and character of District employees Motion was made by Trustee Russell seconded by Trustee Swensen and unanimously approved to go into closed session. The motion was passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

Motion was made by Trustee Swensen seconded by Trustee Russell and unanimously approved to come out of closed session and begin the November 16, 2011 Public Hearing. The motion was passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

PUBLIC HEARING

13. **6:00 p.m. - Convene public hearing for the purpose of considering a rate increase** Chairman Behunin opened the Public Hearing at 6:05 p.m. and noted that no public was in attendance.

14. **Consider adoption of Tentative Budget 2012** The General Manager presented the 2012 Tentative Budget to the Board. He recommended a 3% cost of living increase for all District employees with a total of \$85,000.00 increase in wages to be used at the General Manager's discretion. Also, a rate increase for water and sewer rates to increase 5% from \$1.40 to \$1.47 per thousand gallons for water and sewer services. Motion was made by Trustee Russell seconded by Trustee Swensen and unanimously approved to adopt the 2012 Tentative Budget. The motion was passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

15. **Adjourn** Motion was made by Trustee Russell seconded by Trustee Swensen and unanimously approved to adjourn the November, 2011 Board Meeting and Public Hearing. The motion was passed with the following individuals voting in the affirmative: Trustees Behunin, Swensen and Russell.

ACTION ITEMS