

**MINUTES OF THE
SALT LAKE CITY MOSQUITO ABATEMENT DISTRICT
18 August 2016
BOARD MEETING**

1. Roll Call:

Presiding: Karen Okabe, Chair

Time: 12:38 PM

Place: 2020 North Redwood Road, Salt Lake City, Utah 84116

Trustees Present: Karen Okabe, Chair 2016 (left at 2:46, after item # 12)
La Vone Liddle, Vice-Chair
Carlton Christensen
Dr. Dagmar Vitek (left at 2:36, after item # 10)
Maureen M. Wilson (arrived at 12:41, during item # 1)

Excused: None

Others Present: Ary Faraji, Ph.D., Manager
Gregory White, Ph.D., Assistant Manager
Aleta Fairbanks, CFO
Brian Baker, Zions Public Finance (left after item # 3)
Johnathan Ward, Zions Public Finance (left after item # 3)
Randall M. Larsen, Ballard Spahr LLP (left after item # 3)

Manager Faraji confirmed that the voice recorder was turned on; there were no conflicts of interest declared.

2. Presentation of Lease Revenue Bond Options by Zions Public Finance:

Brian Baker and Johnathan Ward explained how establishing a Local Building Authority would be beneficial to the District because the municipal building authority would be able to legally issue a twenty-year bond. The District would then be able to establish a lease agreement with the municipal building authority to obtain the bond and to make the bond payments each year. Such an arrangement is desirable because it would eliminate a lot of red tape, interest rates are low, and the District's credit is very good. There are two different

avenues that the District can utilize: the direct-selling market purchase route (no public capital markets, less paperwork, but a higher interest rate) or the public market underwriting, with or without bond insurance (a public market, more paperwork, and an aggressive interest rate). They reminded the Board that there are more issues to consider than the actual cost of the bond. They discussed up-front costs, ongoing costs, and the possible need for bond insurance. The municipal building authority may wish to have Zions Public Finance prepare the ongoing continuing disclosures; this service generally runs about \$2,500 or more each year. They will analyze each option and make recommendations to the Board: any necessary parameter resolutions may be adopted at a later time. There is a thirty-day notification requirement before bonds can be sold; the District can be reimbursed for any required expenses incurred, and "not to exceed amounts" will be set.

The Board was asked to make a determination on which bonding route to pursue, for an offering statement is required before the District can move forward. Randall Larsen, the District bond counsel, will prepare a resolution according to the maximum parameters that the Board desires. He discussed the difference between Direct Placement and Market Bond Ratings. Bond rating agencies will be asked to provide two bids: one bid that includes bond insurance, and one bid without bond insurance. Then the Board will be able to decide if the difference in the bond ratings is enough to incur the additional bond insurance cost.

Trustee Christensen made a motion that the District pursue the Market Underwriting offer and then determine the need for bond insurance at a later time. The motion was seconded by Trustee Liddle, and it passed unanimously.

3. Consideration for Adoption of a Resolution Providing for the Creation of a Local Building Authority by the Salt Lake City Mosquito Abatement District, Utah; Authorizing Official Action; and Providing an Effective Date; and Authorizing Incidental Action; and Related Matters:

Randall Larsen explained that utilizing a building authority to create a bond is very similar to acquiring a mortgage. The real estate secures the loan; if a payment is not made, then the entire property will be lost. Once established, the Local Building Authority will be able to modify and/or adopt its Bylaws and Articles of Incorporation. The officers may be identical to the District's officers. Trustee Liddle made a motion that "Consideration for Adoption of a Resolution Providing for the Creation of a Local Building Authority by the Salt Lake City Mosquito Abatement District, Utah; Authorizing Official Action; and Providing an Effective Date; and Authorizing Incidental Action; and Related Matters" be approved; after being seconded by Trustee Christensen, the motion carried unanimously. The paperwork was signed by the Board of Directors; they will be filed and then delivered to Randall Larsen's office at Ballard Spahr.

4. Approval of the 21 July 2016 Minutes of the July Monthly Board Meeting:

A draft copy of the minutes had been provided previously to the Board Members for review and comment. As no additional modifications were indicated at the meeting, Trustee Liddle made a motion to approve the 21 July 2016 Board Meeting Minutes as presented. The motion was seconded by Trustee Wilson and approved with a unanimous vote.

5. Presentation of the July 2016 Financial Statements and Approval of Bills for Payment:

Manager Faraji reviewed the July financial statements with the Board; all expenditures were reviewed. As requested by the Board, special attention was paid to those costs in excess of \$1,000. Documentation for credit card purchases over \$1,000 as well as fund balance sheets were made available to the Board for review.

A review was also made of any budget line items that were over the expected percentage of spending for this time of the budget year. Expenses for July totaled \$226,884.99 from the General Fund and \$2,841.24 from the Capital Projects Fund. Manager Faraji noted that the one line item that exceeded the budget was due to a bookkeeping modification. In the past, the \$1,650.00 UPDES permit had been recorded as a Miscellaneous Expense. However, as this annual expense is actually a permit, Manager Faraji decided that account 41210, Memberships/Permits/Books/Subscriptions, was a more appropriate account for this expenditure. The budget for this line item will be modified at the end of the year.

Trustee Liddle made a motion to approve the July financial statements and payment of bills. The motion was seconded by Trustee Vitek and passed unanimously.

6. Selection of Aerial Services Contract:

Manager Faraji, Assistant Manager White, Trustee Liddle, Todd Erskine (DSLASA), Paul Davis and Manager Hatch (Mosquito Abatement District Davis) interviewed the applicants who submitted proposals in response to the Request for Qualifications for Aerial Mosquito Control Pesticide Application Services. Only two applications were received: one from Vector Disease Control International (VDCI), and another from Clarke Mosquito Control (Dynamic Aviation). VDCI scored very high with all committee members; they are willing to house pilots locally, and the company is willing to spray smaller areas as well as larger areas

on an as-needed basis. Dynamic Aviation stipulated that they would not spray an area smaller than their minimum requirement, and they were not willing to house pilots locally at this time. Trustee Vitek made a motion that the proposal from VDCI be accepted. Trustee Wilson seconded the motion, and it carried unanimously.

7. Approval to Purchase:

Manager Faraji reminded the Board that it is the time of year when the District has traditionally made preparations for the purchase of vehicles. This has been to ensure that the vehicles would be available for purchase from the Utah State Contract and that delivery would be early enough to allow ample time for Mechanic Feragen to prepare the vehicles for field use. The requests for purchase are as follows:

- Two Vehicles: 2016 Chevrolet Colorado Extended Cab 4x4; Chevrolet Colorado Crew Cab 4x4 (State Contract AR307):

Manager Faraji presented the Board with a copy of the 2016 State Contract Pricing AR307 for vehicles and discussed the purchase of two new trucks this year. The 2016 Chevrolet Colorado Extended Cab 4x4 has a contract price of \$26,841.00, and the Chevrolet Colorado Crew Cab 4x4 has a contract price of \$28,629.00. The order cutoff date for both vehicles is 25 August 2016. The 2017 models can be purchased at the 2016 contract base price plus 3%. Additional options, such as a full size spare, hitch receivers, and extra keys, would be added costs to the base contract price. Delivery of these vehicles would be delayed until January 2017 so that they can be purchased out of the 2017 budget.

- Two ATVs: 2017 Honda TRX500 FE1F Electric Shift; Honda TRX500 FM1F Manual Shift (State Contract PD683):

Each Board Member was given a copy of the State Contract PD683 for ATVs. The bid price for the 2016 FE1F Model # TRX500FM5G is \$7,249.00, and the bid price for the 2016 FM1F Model # TRX500FM6G is \$7,849.00. The electric shift model would provide a much-needed relief for Operations Supervisor Hardman during field inspections and treatments. The 2017 models would be available as early as October 2016. These two ATV's would be purchased with the 2016 budget for delivery before the end of the year.

The approval to purchase two trucks and two ATVs carried unanimously after a motion to do so was made by Trustee Christensen and seconded by Trustee Liddle.

8. Discussion and Approval Regarding Continuing Education Policy Amendment:

Manager Faraji presented the Board with a copy of the District's Continuing Education Policy. Within that document, it is stated that "Employees are encouraged to obtain continuing education through attendance at job related seminars and college/university classes. Requests for attendance must be approved in advance by the District Manager." Additionally, the document also states that "The employee must continue to be employed by the District for a minimum of two (2) years following the completion of the class." And also "If the employee fails to meet either or both of the two conditions in (1) and (2) then the employee may be required to reimburse the District for all of the tuition fees, materials, and other necessary and approved expenses for which the District paid for". Previously, retired Manager Dickson had approved Education Specialist Jensen to pursue a Master's Degree in Education from Westminster College. The tuition fees and expenses accrued by Education Specialist Jensen amount to \$20,869. However, Education Specialist Jensen has discussed with Manager Faraji his desire to leave the District in order to return to a full-time teaching position with higher pay. Education Specialist Jensen has also stated that, if it were not for the two-year obligation that he owes the District, he would have left earlier when other teaching offers were available. Manager Faraji was asked to approach the Board to inquire if the District is willing to forego the two-year requirement and financial obligations so that Education Specialist Jensen may pursue full-time employment in his field of choice.

After a lengthy discussion, it was decided that it is in the District's best interest to approach Education Specialist Jensen with an offer to forgive his schooling debt if he provides the District with a voluntary resignation letter and vacates his position prior to 31 December 2016.

The Board also discussed that the District's Policies and Procedures will need to be modified to indicate that, in the future, if the District provides the funds to obtain substantial educational benefits, the employee shall sign a contract specifying the exact requirements and obligations. Manager Faraji stated that he is working with our general legal counsel, Rachel Anderson, on various personnel policy modifications and this will also be added to an ongoing list for revision and presentation to the Board in early 2017.

Trustee Vitek made a motion to forgo the schooling debt that Education Specialist Jensen owes the District if he signs a letter indicating his voluntary resignation by the end of this year. Also, the Personnel Policies and Procedures Manual is to be changed to require a signed contract when dealing with a request for educational benefits. The motion was seconded by Trustee Liddle and passed unanimously.

9. Discussion and Amendment to Board By-Laws Regarding Board Member Terms:

According to the District's By-Laws, a Trustee is authorized to serve two four-year terms. Thereafter, a Trustee is able to serve on the Board again after waiting one year. Trustee Vitek's second term on the Board expires at the end of this year. As she is a liaison with the Utah County Health Department and because she has been a tremendously-valuable asset for the District, it would be in the best interest of the District for her to remain on the Board. Manager Faraji has reached out to the Salt Lake City Mayor's Office and asked how we can retain her services. He was informed that the District has its own By-Laws, and we can change them to restructure the terms to be whatever we desire. The Board asked Manager Faraji to draft new wording for the By-Laws indicating an exception allowing a member of the health industry to serve longer than eight years on the Board. Manager Faraji will also research the legal requirements by Salt Lake City to ensure that we are complying with their requirements. This agenda item was tabled until Manager Faraji has had time to work on the By-Laws and to find out if Salt Lake City has any stipulations that must be incorporated.

10. Approval for Auto Body Work (State Contract MA490):

Manager Faraji updated the Board on some recent minor accidents by employees of the District. The damage to the vehicles should be addressed as quickly as possible. A 2016 Ford F150 will need two passenger-side doors replaced and painted at a cost of \$2,956, and a 2009 Chevy Silverado will need body work on the passenger side at a cost of \$1,387. The vendor (LW Auto Body) is on the Utah State Contract (MA490). Trustee Liddle made a motion that auto body work on the 2009 Chevy Silverado and the 2016 Ford F150 be approved by the Board. This motion was seconded by Trustee Wilson, and it carried with a unanimous vote.

11. Five-Year Plan Update:

- **Annexation:**

Manager Faraji provided the Board with an update on ongoing efforts for the annexation process. At their July Board Meeting, the Magna Mosquito Abatement District adopted a resolution agreeing to allow SLCMAD to pursue full annexation of the areas in Magna MAD that fall under the jurisdiction of Salt Lake City. Manager Faraji has also spoken with the District's general legal counsel, Mark Anderson, and has been informed that the annexation will be composed of three major parts: 1) annexation of Salt Lake City areas currently not within the SLCMAD taxing boundaries; 2) annexation of the unincorporated areas (some considered as part of Salt Lake County) not within the SLCMAD taxing boundaries; and 3) annexation of the Magna MAD

areas currently not within the SLCMAD taxing boundaries. Manager Faraji also stated that he has a meeting with LeGrand Bitter (Executive Director of UASD) next week to initiate discussions regarding financial provisions for the relocation of the Utah State Prison.

12. Update on Personnel Policies:

Manager Faraji updated the Board on recent documents and discussion with the District's general counsel on personnel policies, Rachel Anderson. He stated that he has been provided with initial edits and input for the District's Personnel Policies, but these discussions with the Board will be tabled for a future meeting. The intent of management is to provide the Board with a complete list of updated policies for approval in early 2017.

13. Update on Aerial Application Trials and Other Research:

Assistant Manager White provided the Board with an update on aerial applications using Dibrom adulticide and the ultra-violet dye used to distinguish the microscopic droplets. All of the trials have shown good droplet penetration from the aircraft to the ground. Sentinel mosquitoes have also shown high mortality, indicating that enough droplets were making it to the ground level to kill adult mosquitoes. Before and after counts of mosquitoes from carbon dioxide baited traps still do not show consistent reductions in mosquito numbers in the spray block areas. New studies have been conducted by the lab to determine if the mosquito activity time could be a reason for the inconsistent results. The first three trials using rotator traps have indicated that the peak flight time for mosquitoes varied nightly. This could partly explain the reduced control in spray areas. Assistant Manager White also updated the Board on trials with larvicide products as a result from reported catch basin treatment failures. Bioassays conducted by the lab indicate that the mosquitoes in the urban areas have reduced susceptibility to the active ingredient in VectoLex products (*Bacillus sphaericus*). More studies are being done to determine the exact level of resistance to these products. Based on these findings from the lab, different products are now being used in the catch basins. The pesticide manufacturer of VectoLex (Valent Biosciences) has been working with the District and has completely replaced the current stock of the larvicide with another product at no cost to the District.

14. Report on Attended and Reminder / Approval of Upcoming Training / Meetings:

- Canada-Latin America-Caribbean Zika Virus Program, CIHR, 30-31 August 2016, Ottawa, Canada:

Manager Faraji has received a personal invitation to participate in this meeting. The purpose of the meeting is to review grants/proposals so that priority may be put in place for those with a larger practical public health and vector control component. The Canadian government will cover airfare and hotel, and the Board agreed to provide support for Manager Faraji to attend this meeting.

- Utah Zika Planning Summit, 1 September 2016, Salt Lake City, UT:

Manager Faraji and Assistant Manager White are planning on attending the Utah Zika Planning Summit on 1 September 2016.

- Society for Vector Ecology, 11-15 September 2016, Anchorage AK:

The Board has given Assistant Manager White permission to attend the SOVE meeting 11-15 September 2016 in Anchorage, Alaska.

- AMCA Interim Board Meeting, 19-21 September 2016, San Diego CA:

Manager Faraji is currently serving as the West Central Representative for the Executive Board of the American Mosquito Control Association. The AMCA is holding an interim board meeting in order to finalize budgets and select host city locations. The Board has previously agreed to provide support for Manager Faraji to attend this meeting.

- ESA International Congress of Entomology, 26-30 September 2016, Orlando FL:

Manager Faraji will be hosting a symposium on "Unmanned Aerial Vehicles for Mosquito Control" at this conference. The Board has previously approved supporting Manager Faraji's attendance at this meeting.

- UMAA Annual Meeting, 2-4 October 2016, Midway UT:

This meeting will be attended by the Board of Trustees and all of the SLCMAD full-time staff.

- Northwest Mosquito & Vector Control Association Annual Meeting, 5-7 October 2016, Welches OR:

Manager Faraji attended the NWMVCA Annual Meeting last year and it was a very productive meeting. This group has asked Manager Faraji to present at their conference in October. The Board has approved supporting Manager Faraji's attendance at this meeting.

- One Health Symposium, 13 October 2016, Midway UT:

Manager Faraji will be attending the One Health Symposium on 13 October 2016 in Midway, Utah.

- Utah Association of Special Districts, 2-4 November 2016, Ogden UT:

Manager Faraji, Assistant Manager White, CFO Fairbanks, and all interested Trustees will be attending this meeting.

- Florida Mosquito Control Association, 13-16 November 2016, Miramar FL:

The FMCA will pay for Manager Faraji's registration and lodging at this meeting because he has been asked to do a presentation on his findings with control measures against container-inhabiting mosquitoes, such as the vectors for Zika virus. Due to the Zika outbreak, many organizations are interested in effective control measures against these mosquitoes. The Trustees have given Manager Faraji permission to attend this meeting.

15. Manager's Report:

Manager Faraji had previously provided the Board with a copy of the Manager's Report for review. This report was for informational purposes; Manager Faraji asked if there were any questions about the report. The long list of office activities indicates how busy Manager Faraji and Assistant Manager White have been during the past month. It has been a very productive month, and the plans for relocation are progressing nicely. Friday will be the last day for the vast majority of the seasonal employees.

16. Probable Agenda Items for 15 September 2016 Board Meeting, 12:30 PM:

- Manager's Report
- Bond Resolution
- Five-Year Plan Update
- Personnel Policies Update

A boxed meal will be available at 12:00 PM for the Board Members prior to the September Board Meeting.

17. Adjournment:

The meeting was adjourned at 3:11 PM.


Ary Faraji, District Manager

15 SEPT 16
Date


La Vone Liddle, Acting Chair

09/15/2016
Date

