

MOUNTAIN GREEN SEWER IMPROVEMENT DISTRICT

5455 West Old Highway Road, Mountain Green, Utah

Minutes of the Board of Trustees Meeting

7:00 P.M., Thursday, May 2, 2013

Board Members Present: Wendy Eliason, Blair Larsen, Tina Kelley, Mark Devoe and Mary Jewett. **Employees Present:** Dennis Baldwin, Robert Volk and Janet Boudrero. **Excused:** Shane Rice and Zane Gray. **Guests Present:** Loydene Berg, Brett Simonsen and Duane Johnson.

Invocation: Janet Boudrero

Chair: Chairman Wendy Eliason welcomed those present and chaired this meeting.

Item # 1. Transfer of a Sewer Connection

Loydene Berg was present to request a transfer of the impact fee from her house that burned down on Old Highway to the new lot she just purchased in Woodland Heights.

Tina stated that the District has not previously been asked to transfer an impact fee from one lot to another so there is no policy in place to address this issue. Blair added that he is in favor of transferring the fee but we need to do it right by passing an ordinance to clarify the situation in case other property owners make the same request. Dennis noted that this is a unique situation and discussion ensued regarding the requirements to create an ordinance and how a change in policy is probably not warranted in this instance.

Robert asked if the vacant lot on Old Highway would be sold and developed again. Loydene indicated that, yes, it would and that she would be required to declare the lack of a sewer impact fee at the time of sale. Blair then stated that the District should note this transfer and stipulate that any new owners of the Old Highway lot would be required to pay the impact fees in force at the time of purchase and follow the process that is in place for all new lots being developed.

Tina moved that the board is in agreement to transfer the impact fee and issue the new will serve letter for Loydene Berg for lot 30 in Woodland Heights stating that we have the capacity and ability to serve that property. Mary seconded the motion. Motion passed.

Item # 2. Discussion / Decision: Mountain Green Village PUD

Duane Johnson was present to bring the board up to date on his proposed development and to request a new letter regarding the District's available sewer capacity.

Mr. Johnson started the discussion by mentioning both the Will Serve letters he had been issued several years ago along with the District's completion of a sewer main connection onto the lower part of his property. Mr. Johnson asserted that he had gone

beyond the one year expiration of his Will Serve letters due to construction delays. He then added that the District had missed a deadline in completing the sewer connection construction. In effect, he suggested that his Will Serve letters should still be valid because both deadlines were missed.

Dennis confirmed that the completion of the sewer connection had been delayed, but only by a month, and that the new connection has been ready to receive a new trunk line and flow ever since that time which would have had no effect on Mr. Johnson's construction. The Will Serve letters expired after one year and there has been no sign of county approvals or construction in the ensuing years. The two items are not inter-related and new Will Serve letters will have to be issued anyway as each phase of the new development is approved.

Mr. Johnson understood and indicated that he desires a good working relationship with the District. For now, he would like to get a new letter from the District that indicates how much sewer capacity is currently available, on first come, first serve basis so he could move through the next phase with the Morgan County Planning Commission. Tina added that the recommendation of such a letter has been stated in the public hearing meeting for the planning commission. Tina also wanted to have on record a full disclosure that she sits on the council for Morgan County, but she does not believe this presents a conflict of interest.

Duane added that he hopes to start soon with a commercial development in the area formerly called 'The Wheel', starting with a small building of about twelve apartments along with a possible grocery store and 'Subway' type of outlets that would connect to the upper existing sewer main. Next will be a small phase of residential homes that would connect to the new, lower connection and trunk line. Mr. Johnson anticipates that everything will be built in phases of about 25 to 50 units at a time, with new requests not coming in until the previous phase is almost complete. Market demand will dictate the pace, but it will more than likely take many years to complete all of the 533 estimated residential units allowing the District ample time to complete the next expansion.

Robert let Mr. Johnson know that the District currently has 542 more Will Serves available to issue. Robert also asked Mr. Johnson if the District could work with him on the commercial planning to ensure appropriate pre-treatment facilities are included for each commercial unit in order to alleviate problems with grease and chemicals at the source. Mr. Johnson openly agreed and, again, offered to work with the District in any manner desired.

Mark made a motion to provide Duane with a letter to the County Counsel explaining our current status of hook-up availability and stipulating they are on a first come, first service basis. Blair seconded the motion. Additional discussion stressed the importance of including language to clarify that this is not a Will Serve letter, but only a statement of current capacity. Motion passed. All voted in the affirmative.

Item # 3. Discussion / Decision: Rescind Resolution 130221

The decision was made at the April 2, 2013 Board meeting to not use Utah Retirement Systems to manage a retirement program for the District. After some discussion by board members Blair made a motion to rescind Resolution 130221. Tina seconded the motion. Motion passed.

Item # 4. Discussion / Decision: Confirmation of Robert as Manager

Robert concluded the six month review period and the time has come for the Board to decide on the permanence of his position as Manager. Blair had a humorous question for Robert, "Do you know Garth Day?" Mr. Day was hired by Morgan County in 2008 as a County Planner and was convicted in 2011 for stealing over a million dollars from Morgan County as well as money laundering and falsifying several documents. After a brief laugh, the Board recognized Robert for his many areas of expertise and confirmed that he will be an asset to the District.

Mary made a motion to confirm Robert Volk as the manager of the M.G.S.I.D. Tina seconded the motion. Motion passed. All voted in the affirmative.

Item # 5. Discussion / Decision: Election Documents

The seats of Wendy Eliason, Mary Jewett and Blair Larsen will expire December 31, 2013. If these board members want to run for these positions for another term and are willing to sign a Declaration of Candidacy with the Morgan County Election Clerk between June 1 and June 6, 2013, the District will not be required to have an election this year or require the services of Carr Printing.

The District will be required to advertise the elections three to ten days prior to the filing period. Janet will check with David Baker from Carr Printing to keep current on any newly released election information. There was additional discussion around sending a letter out to District residents or including a letter or notice in the monthly bill.

This item was tabled until more information is acquired.

Item # 6. Discussion: District Operations

Board members reviewed some of the more recent events at the plant. Jim, Dennis and Robert were commended for their going the extra mile to pick up parts and repair a broken radiator hose during some unusually cold and windy circumstances.

Dennis indicated that the new trunk line will likely go in this year and the Gardners understand that they are over capacity with the existing section. In a proactive move, Dennis had new elevation readings of the trunk line commissioned and forwarded the information to the Gardners for planning purposes.

Item # 7. District Statistics as of April 29, 2013

The District's financials were briefly addressed. Comparison of the number of Impact Fees received by the District in the last three years indicated a dramatic increase in development. Also, last quarter's advance funding reimbursements were sent out to the developers.

Mary moved to approve the minutes of March 21, 2013 with corrections submitted by Tina. Mark seconded the motion. Motion passed.

Before adjourning, Board members briefly discussed the culmination of Item #1 for Loydene Berg and the possibility of similar requests to transfer connections. Tina indicated that she feels it is important to have a paper trail or clarification in the minutes for future reference. After some discussion Robert made the suggestion that we do not create a policy at this time but deal with each occurrence on a case by case basis. The Board's main concern is to evaluate each instance based on hardship factors and not allow the transfer to be used as an avoidance of paying higher impact fees.

Blair made the motion that when a connection transfer request is presented due to a hardship, there should be no habitable structure on the property and the land should be unbuildable, otherwise a connection cannot be transferred and will remain with the land it was originally issued to. Mark seconded the motion. Motion passed.

Adjourned: 8:30 P.M.

Signed: _____