

MOUNTAIN GREEN SEWER IMPROVEMENT DISTRICT

5455 West Old Highway Road, Mountain Green, Utah

Minutes of the Board of Trustees Meeting

Thursday, November 6, 2014

Board Members Present: Mark Devoe, Wendy Eliason, Zane Gray, Tina Kelley, Shane Rice and Lynn Peterson. **Excused:** Blair Larsen **Employees Present:** Robert Volk and Janet Boudrero. **Guests Present:** None

Invocation: Shane Rice

Chair: Mark Devoe welcomed those present and conducted this meeting.

Item #1: Discussion: Annual Christmas Dinner

Janet has reserved space for our Annual Christmas Dinner at Maddox Ranch House in Brigham City for Thursday evening, November 20 at 6:30PM. All Board Members were asked to mark their calendars and we are looking forward to seeing everyone there.

Item # 2: Discussion/Decision: Trunk Line service road

The addendum to delay the installation of the trunk line service road base until July 2015 was approved at the October Board Meeting and is in place. This delay was requested by the developer, Skyler Gardner, the installing contractor's supervisor, Mike Grow, and MGSID Manager Robert Volk, to allow the fill dirt over the trunk line installation to dry out and settle before the installation of the road base.

Recent inspections have since indicated that the fill dirt might have dried out and settled more than anticipated and would be in an acceptable condition that would allow the road to be properly installed now. Mike Grow indicated that if weather holds out to the end of November, and the District gives the go ahead, then he could arrange for the materials and manpower to get the road put in before the first snow so we could all put an end to this project. Robert agreed with now trying to move the road installation forward so we could all get this project closed.

However, Duane Johnson indicated that he will attend the December 4 Board Meeting to ask the Board to consider not building or installing the road and/or applying the road base at all. The November Meeting Agenda listed several points that Mr. Johnson had mentioned to Robert as to why he believes the road would be unnecessary, including the Johnson's farming operations and equipment, maintenance costs and access points for the District, as well as potential future paved roads in the developments.

Robert wanted to give the Board advance notice of the option to complete the road earlier than expected along with the request from Mr. Johnson so the Board Members could provide their input on which direction to take. Installing the road now would complete the project, but a delay would give Mr. Johnson time to present his case.

Zane made a motion to adhere to the previous delay addendum and not install the service road on the trunk line until next summer. Shane seconded. Motion passed.

Item # 3: Discussion: Cancel the Will Serve for one ERU for Doug Durbano

Doug Durbano decided to use a septic tank for the lot his home is on instead of connecting to the sewer. He sent a request to cancel the Will Serve the Board approved October 2014. Mr. Durbano still has an active Will Serve for two ERUS, and he has paid one impact fee and inspection fee for one of these lots.

Note that Mr. Durbano sent the District a copy of a preliminary development plat for 94 lots that he said had been sent to the county. The District has not received a Will Serve request from Mr. Durbano for 94 lots. Robert contacted the county asking that we be kept in the loop for this development because a Will Serve has not been issued. Tina stated that she has not seen any new plans or septic tank applications come into the county, but she will let us know if something comes in. Tina asked Robert to send a copy of the new map so she can keep track, as well.

Item # 4: Discussion / Decision: Lateral inspection fee rate increase

The current lateral inspection fee of \$75 has been in effect for over a decade. Each inspection requires one to two hours of time, and sometimes multiple trips. Other local entities are charging over \$100 for the same inspection. Robert is recommending that the lateral inspection fee be increased to \$100 per inspection, and should be included in the rate increase public hearing. Does the Board agree with raising the lateral inspection fee at the public hearing to \$100 starting January 1, 2015?

Tina made a motion that we approve the lateral inspection fee rate increase from \$75.00 to \$100.00 per inspection and that this be included in the December Public Hearing for rate increases. Lynn seconded. Motion passed.

Item # 5: Discussion / Decision: Discount for vacant homes in MGSID

The current unofficial policy has been to provide a 50% discount on the monthly rate for some residents who stated they had vacant homes, second homes, used their homes seasonally or were away on vacations or missions. Because these discounts were not official, they were not equitably offered to all of the residents within the District.

A discount policy has been presented that will allow a 50% discount on the monthly service fee as long as the house is vacant and the applicant wants to fill out an application, pay a \$10 administrative fee and bear the burden of providing a copy of their water bill every month.

A couple of the Board Members argued that providing the ongoing proof would be difficult. Tina reminded everyone that the purpose of this policy is to provide a format

for discounts because discounts are currently being provided for a few people with no guidelines in place. With no policy in place there is an ambiguity that creates problems for everyone involved. The District does not want to encourage giving vacancy discounts, but create an equitable way for someone to apply for a discount as long as they are willing to go through the effort of providing the necessary proof without placing that burden on the District staff. Most homeowners will probably decide that the discount is not worth the effort involved, which is the opinion of the District Manager.

Tina made a motion to approve the vacant home discount as presented. Wendy seconded. Motion passed.

Item # 6: Discussion / Decision: Discount for MGSID residents that are on a low fixed income, undergoing financial hardship, retired veterans and/or are disabled/handicapped.

Currently, there are no residents receiving a discounted monthly service rate for the aforementioned reasons, but such discounts have been mentioned as something that the District should be offering.

The lengthy discussion uncovered all of the problems with offering a discount for all of these different classifications, including other discounts for veterans, substantial incomes of some veterans, defining disabled and handicapped, etc. It was finally decided that the District should offer a discount for just financial hardship. The applicant would have to fill out an application explaining the need and supply substantiation, which would then be provided to the Board of Directors for review. Guidelines would be set up based on the requirements for similar programs offering discounts based on need. Tina offered the suggestion that we should follow the qualification guidelines of the food bank in regards to someone undergoing financial hardship.

Zane made a motion to authorize the approve a 50% discount on the monthly rate for MGSID residents that are undergoing financial hardship and can provide substantiation based on guidelines for similar programs that Robert will research. Wendy seconded. Motion passed.

Item # 7: Discussion: December 4 Public Hearing for Rate Increases and 2015 Budget

6:00 PM to 7:00 PM, 12/4/2014, public hearing for rate increases on the monthly service charge and lateral installation inspection fees 7:00 PM to 8:00 PM, 12/4/2014, public hearing for the 2015 budget approval. According to our attorney, it is legal and proper for both hearings to occur on the same evening but we must open and close each one separately, with time in between for public discussion, comments and a vote at the end. All required notices have been sent and will be posted. The rate increase will take place first, because the decision will determine the 2015 budget that is presented. Other items on the meeting agenda may be discussed during these periods, if time allows, but no decisions on these items may be made until after both public hearings are closed. Due to the potential number of attendees, the garage will be set up to accommodate the hearings and additional seating.

Item # 8: Discussion/Decision: Rate Increases

A monthly service rate increase is necessary to balance the budget and start saving for the existing resident's portion of the proposed new mechanical plant.

The calculated rate to cover both items would run about \$47.00 per month but this much of an increase would be too much to ask for at one time. Robert is recommending that the Board approve a rate adjustment in 2015 to \$36.00 per month plus four more years of automatic phased increases of \$2.00 per year. Starting on January 1 of each year, the following monthly service rates would go into effect without additional public hearings: 2015 - \$36.00; 2016 - \$38.00; 2017 - \$40.00; 2018 - \$42.00; 2019 - \$44.00. The lateral installation inspection fees should be increase from \$75.00 to \$100.00 per inspection to reflect the current cost of labor and administration required to service them.

Shane made a motion to approve the rate increases as presented for the December Public Hearing. Lynn seconded. Motion passed.

Item # 9: Discussion / Decision: 2015 Preliminary Budget

Robert has prepared two separate budgets for 2015: one budget to represent the income from the current monthly service rate and the lateral installation inspection fee, and one budget with the proposed rate increases. Depending on the outcome of the rate increase hearing, only one of these budgets will be presented for final approval. In December, after considering public comments the Board will pass the final version of the budget along with a budget resolution. The budget summary and the budget resolution will then be sent to the State Auditor's Office by the end of January. Because the District operates as an 'Enterprise', the Board may amend the budget as necessary in any scheduled Board meeting at a later date, without holding a public meeting.

Wendy made a motion to approve the 2015 Budget as presented for the December Public Hearing. Shane seconded. Motion passed.

Item # 10: Discussion / Decision: Grinder repair increased cost approval

At the October meeting the Board approved the repair of the Muffin Monster grinder, located at the headworks, for repairs costing up to \$16,000. The repair quotes from Aqua finally came back with quotes ranging from \$19,000 to \$29,000.

Option #1 @ \$18,841 will replace the bottom grinder cassette and gearbox only, but leave us with a six year old shaft and electric motor.

Option #2 at about \$23,500 will replace the bottom grinder cassette, gearbox and a new submersible electric motor that does not require the long shaft.

Option #3 at about \$28,500 will replace the bottom grinder cassette, gearbox, new shaft and electric motor, exactly as we have installed now.

Lynn added that if we approve a change to the current configuration, that it is important to verify that any retrofit changes be guaranteed by the installing company because he has seen too many retrofits that do not work properly.

Zane made a motion for to approve an increase in the October repair approval budget to accommodate Option #2 to repair the Muffing Monster grinder at the headworks for up to \$23,500, which will replace the bottom grinder cassette, gearbox and a new submersible electric motor. Lynn seconded. Motion passed.

Item # 11: Discussion: District Operations ~ October 2014

All inspections, tests (including air tests) and video review on the trunk line have been completed and found satisfactory, so the line was opened and placed in operation on Tuesday, November 4, 2014. Effluent water continues to measure well within state requirements and removed over 98% of BOD and 97% of TSS in October. E-Coli bacteria registered at Non Detectable levels.

Item # 12: Discussion: District Statistics as of October 31, 2014.

Board members reviewed the statistics on Impact Fees, ERU status, connections, bank statements and financial reports.

Item # 13: Discussion / Decision: Review and approval of October 2, 2014 Minutes.

Tina made a motion to accept the October 2, 2014 minutes with no corrections. Wendy seconded. Motion passed.

Item # 17: Discussion / Decision: The public hearings and the next meeting is scheduled for the first Thursday, December 4, 2014 starting at 6:00 P.M.

Adjourned: 9:35 P.M.

Signed: _____