

MOUNTAIN GREEN SEWER IMPROVEMENT DISTRICT
5455 West Old Highway Road, Mountain Green, Utah 84050
Minutes of the 2016 Budget Hearing and monthly Board of Trustees Meeting
Wednesday, December 2, 2015

PUBLIC HEARING FOR THE 2016 BUDGET - 6:00 P.M.

Board Members Present: Mark Devoe, Tina Kelley, Shane Rice, Wendy Eliason, Lynn Peterson and Zane Gray. **Excused:** Shane Rice and Blair Larsen **Guests Present:** Lannie Jolley, Bill Aller and Gary Ross
Employees Present: Robert Volk and Janet Boudrero

Invocation: Zane Gray

Chair: Mark Devoe welcomed those in attendance and opened the 2016 Budget Hearing for the Mountain Green Sewer Improvement District.

Item # 1. Discussion/Decision: Public Hearing to review and approve the 2016 Budget

State regulations require the District to hold a Public Hearing in the month of December for the purpose of reviewing and approving the next year's annual budget. The hour between 6:00 P.M and 7:00 P.M. is reserved for the Public Hearing where any resident or Board Member may ask questions or provide comments on the proposed budget. No formal actions may be taken until the hour is complete and any public comments regarding the budget have been expressed.

At the end of the one-hour period the board is requested to amend the budget if necessary and approve the detailed budget, the summary budget and the budget resolution. The budget summary and the budget resolution will then be sent to the State Auditor's office within thirty days of approval.

Robert presented the 2016 Budget in detail via a power point presentation. He first addressed how the income for the current 2015 budget is coming in slightly above what was projected while expenses are well below what was budgeted. He highlighted that 2015 will finish with the first net positive income that the District has had for many years and that the 2016 budget being presented is the first balanced budget to be submitted.

There were a few questions regarding some line item expenses and Lynn asked whether the amount allocated for construction and permits was adequate. Robert answered each query in detail and the Board seemed satisfied with what was discussed. The 2015 Budget had been presented with a \$1,400 decrease over the previous year, and the 2016 Budget came in with only a 3.3% increase over 2015's. Robert finished by reminding the Board that his goal will always be to keep expenses well below what is budgeted.

The discussion of the budget was completed prior to 7:00 PM so Tina introduced Gary Ross who was present to observe our budget hearing and announce his interest in becoming a Board Member by being appointed to one of the vacant seats. Gary is currently serving on the Morgan Planning Commission as our representative from Mountain Green. Bill Aller was also present for the same reason.

At 7:00 P.M., after budget review and discussion was complete, Mark Devoe closed the Public Hearing and Public Comment period.

Lynn Peterson made a motion to accept the Budget for 2016 as presented. Zane seconded the motion. Lynn, Wendy, Zane and Mark voted in the affirmative. Tina abstained. Motion passed.

Lynn Peterson then made a second motion to accept Resolution 151202 for the adoption of the 2016 Budget with one correction to change the last sentence from a unanimous vote to a majority vote in a regular meeting on December 2, 2015. Wendy seconded the motion. Lynn, Wendy, Zane and Mark voted in the affirmative. Tina abstained. Motion passed.

BOARD MEETING - 7:00 P.M.

Item # 2. Discussion/Decision: HR Services Wage Step Program for the Secretary and Operator positions.

At the November 4, 2015 Meeting, the Board of Trustees approved the Secretary's and Operator's positions receive a 5% increase over their current hourly wage so both positions will be compensated at \$24.26 per hour starting January 1, 2016, and to be placed above the middle, somewhere in the upper half of a ten step program to be worked out by HR Services, Inc. HR Services has submitted the program to the District for review and approval.

Item tabled. See discussion below Item #3 for notes on this item.

Item # 3. Discussion/ Decision: HR Services Wage and Benefit Step Program for the Manager Position

At the November 4, 2015 Meeting, the Board of Trustees approved the Manager position to be compensated at \$80,000 per year total, which equates to \$32.00 per hour base salary plus \$5,000 in retirement payments and a mid-level health insurance package, starting January 1, 2016. This is to be positioned at the ninth step of a ten step wage and benefit program to be worked out by HR Services. HR Services has submitted the program to the District for review and approval.

Items #2 & #3 were discussed together and the Board felt that the step program presented tonight was not complete and did not represent the clear layout of the approved wages that they were expecting. Tina mentioned that the items up for decision should only reflect the wage rate without benefit and that all of the steps should be filled in by HR Services. She stated that the wages approved are okay since they were approved with the budget.

The other Board members agreed and Mark tabled both items #2 & #3 to the January meeting so HR Services could be contacted and asked to complete the Wage Step Program table per the expectations of the Board.

Item # 4. Discussion: New Chairperson for 2016

Mark Devoe has decided to step down from the position as Chair after this meeting and allow the next person to take the reins. Our sincere thanks to Mark for his service and for the time that this responsibility has required. Zane Gray, who has been our Vice Chair, has agreed to move into the Chair position starting with the meeting in January 2016.

Lynn commented that he believes Mark has done an excellent job and deserves a standing ovation, to which the rest of the Board applauded. Mark thanked everyone and recommended that Items #4 & #5 be tabled until January's meeting so all of the new members could participate. Everyone agreed. Item tabled.

Item # 5. Discussion/Decision: New Vice Chair for 2016

A new Vice Chair needs to be selected to stand in for the Chair when he is not able to attend the meetings. Item tabled.

Item # 6. Discussion: Board Meeting Schedule for 2016

The board is scheduled to meet on the first Wednesday of each month in 2016. Dates are as follows: January 6, February 3, March 2, April 6, May 4, June 1, July 6, August 3, September 7, October 5, November 2, December 7.

A couple of the Board Members expressed concern over the January 6 meeting as it was too close to the holiday, so everyone agreed to move that meeting to the third Wednesday on January 20.

Item # 7. Discussion: Cottonwoods Phases 5 through 9

Chad Bessinger and Wayne Reaves with JF Capital were to be present to discuss their plans for developing Cottonwoods Phases 5 through 9 over the next decade however they cancelled this request just before the meeting.

Item # 8. Discussion: Discussion with Ron Lawson

At the November 4 Board Meeting the Manager was asked to check with Ron Lawson, a former MGSID Chairman, regarding historical decisions for some homes located within the District boundaries that are not connected and not being charged service fees while others that are not connected are being charged. Ron explained how the District went through many challenges in trying to get all of the residences connected, but in some cases the battles were deemed too difficult so exceptions were made. He highlighted the struggles with the homes on Gordon Creek Circle, Powder Horn Road and Old Highway Road which the Manager can retell in detail if the Board desires. Ron also shared the reasoning behind charging the few unconnected homes bordering the Rosehill development, as well.

In essence, the policy of 'charging service fees to all residences in the District, whether connected or not' was unevenly applied and even Ron agreed that it is probably the right time to change the policy.

Item # 9. Discussion: Discussion with Attorney Jon Call

The Manager also checked with the District's attorney, Jon Call, regarding the policy to charge service fees to all residents of the District whether connected or not and found the following. Jon does not believe that any individual will have any recourse against the District if there is a change in policy. The general rule is that if an ordinance changes it has no retroactive effect. Meaning a new rule doesn't change the past, just the future. This means that all individuals would not be able to claim that the new rule/ordinance/policy should have retroactive effect. The Board should be safe to eliminate the fee on unconnected homes. If it is clear the Board wants to reduce fees for non-connected homes a hearing is not required.

There is reference in the Ordinance to the "Morgan County's mandatory sewer connection ordinance" (article II, Part 1, 1.05). Jon could not see where that ordinance is currently found in the Morgan County Code Book. He stated that they must have done away with it, unless it is referencing 8-12-46 which requires all new subdivisions to connect, though I'm guessing that is not the case for these 5 homes. The policy was never written correctly from the beginning in 1989 and should be updated to rectify the error (see the first part of Item #10, which is next).

Item # 10. Discussion/Decision: Update the MGSID Sanitary Sewer Ordinance effective January 1, 2016.

The Sanitary Sewer Ordinance was last updated January 2015 and there are three changes which should be addressed (Text in Bold represents an addition, and text in ~~strikeout~~ represents a removal).

First is the removal of text as follows from:

Article II, General; Part One – Board of Trustees; Section 1.04

The Board has authority to charge and collect impact and connection fees, inspection and permit fees, and sewer service charges and to take such steps and adopt such resolutions as may be necessary to assure the collection and enforcement of the same from all persons who, pursuant to and in accordance with the requirements of Morgan County's mandatory sewer connection ordinance, ~~are required to connect to the Sewer System, whether the premises of said persons are connected to the Sewer System or not.~~

Second is clarification of the rate description in:

Article II, General; Part Three – District Fees; Section 3.04

The Board has set a monthly service fee per ERU to pay the cost of operating and maintaining the wastewater treatment facility and associated collector and interceptor lines. This fee is currently \$36 **was approved in the December 2014 Public Hearing at the following rates for each year specified** and may be periodically increased ~~adjusted~~ **through another Public Hearing as operating costs increase change. 2015-\$36, 2016-\$38, 2017-\$40, 2018-\$42, 2019-\$44.**

Third is the removal of text as follows from:

Article V, System Installation; Section 3.04, H.

H. Laterals shall not run closer than two feet to a building after exiting and shall be at least four feet deep from final grade. ~~If less than four feet deep, the District shall be advised of the necessity by letter.~~

Tina asked if we would be required to hold a public hearing to change the ordinance and/or notify all of the contractors in the area of an Ordinance change. Robert responded that he had consulted with Jon Call on these very questions and was told that neither was necessary for an Ordinance change, and he added that MGSID has changed and updated the Ordinance several times in the past without a public hearing. Lynn stated that he believes that there should be some way that contractors can learn what the current Ordinance is and Robert let him know that the current Ordinance is available on our website and that we hand out a page with the lateral installation instructions (ordinance) to everyone that pays an impact fee with the request to give it to the excavator. Robert added that the change being recommended, of removing the option to install a lateral at a depth of less than four foot by supplying a letter, was only known and used by one contractor who learned of the exception from a source outside of our office. This exception was not publically distributed nor not known or used by other contractors in the area so it will not have an impact on the other contractors. Mark noted that the Board could, in the motion, require any additional notification that it deems appropriate.

Zane made a motion to update the Mountain Green Sewer Improvement District Sanitary Sewer Ordinance effective January 1, 2016 to reflect the recommended changes. Lynn seconded the motion. Motion passed.

Robert noted that the new updated Ordinance will be posted online.

Item # 11. Discussion: Financial assistance applicants & outstanding balance.

Robert notified the November applicant's for financial assistance to the terms of the agreement which are to make the discounted monthly payments on time along with additional amounts to pay down the outstanding balance.

Item # 12. Discussion/ Decision: Change to the application for financial assistance

At the November 4 Board Meeting, the request was made to remove a couple of the requirements to the Application for Financial Assistance Discount. The second sentence on the application was updated as follows: *Please bring this completed application to the **District office** meeting, along with any documentation that would substantiate the need for financial assistance. The District will make a copy of this application, but none of your other personal confidential information will be kept, copied, retained or made public record by the District.*

The final sentence was removed as follows: *Discounts will not be given retroactively for past dates.*

(Please see new application accompanying this Agenda).

Wendy made a motion to accept the changes to the Application for Financial Assistance as presented. Zane seconded the motion. Motion passed.

Item # 13. Discussion: District Operations for November 2015.

Robert completed a National Utility Management Certification Program. Blower #2 started having intermittent shutdowns on Thanksgiving Day and had to be manually switched to another blower. Testing is underway to determine the cause. Effluent water continues to measure well within state requirements and removed over 98% of BOD and 96% of TSS in November. E-Coli bacteria was non-detectable at less than one organism per 100 milliliters.

Item # 14. Discussion: District Statistics as of November 30, 2015.

The Board reviewed the District Statistics without comment or question.

Item # 15. Discussion/Decision: Review and approval of the October 7, 2015, October 28 and November 4, 2015 Minutes.

Tina made a motion to accept the minutes from October 7 and November 4 as corrected. Wendy seconded the motion. Motion passed.

Item # 16. Discussion: Next Board Meeting.

The next scheduled Board Meeting will be on Wednesday, January 6, 2016 at 7:00 PM and the Christmas Dinner is next Tuesday, December 8 at 6:00 PM - Maddox

Motion to Adjourn: 8:00 P.M. Motion by Lynn, seconded by Zane. Motion passed.

Signed _____