

**MOUNTAIN GREEN SEWER IMPROVEMENT DISTRICT**  
5455 West Old Highway Road, Mountain Green, Utah 84050  
**Minutes of the Monthly Board of Trustees Meeting**  
Wednesday, May 4, 2016, 7:00 p.m.

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

**Chair:** Board Chairman Zane Gray welcomed those in attendance and chaired this meeting for the Mountain Green Sewer Improvement District board meeting.

**Invocation:** Gary Ross

**Public Comment Period:** No comments

**Item # 1. Discussion: 2015 Audit Results**

Lynn Wood our accountant from Wood, Richards and Associates was available to present the results of the 2015 Financial Report. Lynn Wood said that they have completed their audit for the year end December 31, 2015 and have issued an unmodified opinion which he said is the best you can get. He stated our books are posted in a double entry format and reconciled. Lynn added the entries they made were minimal recurring type entries that they make every year to adjust the balance sheet and he feels good about the system even though it is a small office.

Lynn reviewed the first part of the Auditor's letter which was mainly about accounting practices and estimates. The only estimate in the financial statement is the depreciation, as no one knows how long the system will actually last. Lynn thought it was around fifty years or less, so it is important for the District to continue to accumulate funds for the repairs and replacement and renovation of the system. It is important to note that the funds collected for depreciation won't cover everything because not all of the accumulated depreciation has been collected and the future costs of any replacement item will always exceed the original cost. Lynn did note that the District was able to do some financing of infrastructure through developers which he said was quite an enviable position to be in.

Lynn said they have listed some corrected and uncorrected adjustments mostly to year end property tax receivables and payables and capitalizing some construction. He also said that management and staff cooperated fully with their auditors, and that there were no disagreements with management or other significant findings. However the District did have two compliance issues with the state that were the responsibility of the Board. The first one is with the Board of Trustee's who are required to complete an annual training of the Open and Public Meetings Act. For last year we had all but one trustee complete that training.

The second related item is the Board of Trustees are each required to complete a special local service district board training within one year of taking office and again we had all but one complete that. Lynn said that the new State Auditor does consider any non-compliance to be a serious issue. He then encouraged the Board to go for one hundred percent compliance in the current year.

After reviewing and explaining some of the entries Lynn said that we have a good solid balance sheet with over a million in cash and that our system which is in reasonably great shape. He recognized Robert for his focus on planning for the future through putting funds aside and also for the forward thinking for the residents within the District.

Lynn then commented that it is a really good report and complimented Robert and Janet for the excellent financial management of the District.

### **Item # 2. Discussion: Board Member Required Annual Training**

Robert informed Board Members that the required training is now available online through the Utah State Auditor's website and emphasized that this is not optional but mandatory as the District and the Board are basically graded on an all or nothing and we need 100% participation. He then shared information where they could view this training online.

Lannie added that he had taken the training and completed the test online. He said it was very straight forward and included different categories with five questions in each. He added that each category took approximately ten minutes with the total being just short of one hour.

Zane asked about the possibility of board members being able to complete this requirement within the next sixty days. Questions were asked if there would be added compensation for time spent on this. Robert said yes, if the Board is in agreement, then there would be a one meeting compensation incentive given. The Board Members present indicated agreement to this policy.

### **Item # 3. Discussion/Decision: Logo for the new truck**

Robert expects the new truck to be delivered sometime in the next few weeks and presented a slide presentation of the samples of the four different layout options for the logo on the doors of the new truck.

Zane recommended that we include the District website information on the logo and to put nothing on the tailgate just on the doors and, in jest, to include Dennis's name.

After reviewing the four options and after board discussion Wendy made a motion to go with option # four in the slide presentation and to also add the District's website information. Gary seconded the motion. Motion passed. All voted in the affirmative.

#### **Item # 4. Discussion/Decision: Fate of old yellow truck**

Board members next discussed what to do with the old yellow truck. The Procurement Policies and Procedures dated August 5, 2015 contain certain guidelines regarding the donation or destruction of surplus property that the manager must follow which Robert has attached the general provisions.

After more discussion by board members, Wendy made a motion to donate the yellow truck to "Kidney Kars with a K". Lannie seconded the motion. Motion passed. All voted in the affirmative.

#### **Two discussion items to add to the Agenda after the listed items have been discussed and at the Chair's discretion.**

##### **1. Emergency sewer main backup May 4, 2016.**

Robert was called out early in the morning May 4, 2016 by a resident to let him know that the sewer main was backing up into their lot that is currently under construction. The contractor on site let him know that the manhole on the front of the lot was half full of dirt and rocks.

Robert arrived on site around 9:00 AM along with a vacuum truck from ProPipe where it took over three hours to clear the blockage. Robert was concerned there was the potential for a few of the homes upstream to have been affected with sewer back up. Luckily the district did not receive any such calls.

Robert expressed his opinion that the construction worker was not at fault here as there currently is no map of this manhole. Robert called Dennis to see what historical information he could provide but Dennis was not sure of the exact locations of all the manholes along this development. Robert also indicated he is currently working on the GIS mapping of the manholes in this area and will include this one.

##### **2. Wild Oates Horse Training Center**

Robert explained the situation with the Wild Oates Horse Training Center which he discovered in early April being installed in the old Brine Shrimp Building. Robert found that both the existing floor drains and the new horse washing basin had been connected to the existing sewer line.

Robert indicated that neither Morgan County Planning Department nor the owner of the business had contacted the sewer district for any information or notification of a new business.

After reviewing the District's ordinance Robert contacted the Rural Water Association and the Department of Water Quality for guidance and direction. Both associations

stated they did not have experience with anything similar and advised Robert to require that this business to disconnect the floor drains and washing basin from the sewer system due to the high volume and concentration of urine, pesticides etc. that it would introduce into the lagoons.

Robert was later notified that the connections had been changed and he went out to verify the corrections. Their waste is now being sent to an open septic pit on the property and Bill Cobabe from Morgan County has also been advised of the changes.

Robert indicated he will continue to monitor those lines via the connecting manholes in the commercial district.

**Item # 5. Discussion: District Operations- April 2016**

Board members briefly discussed the District Operations for April, 2016.

**Item # 6. Discussion: District Statistics as of April 30, 2016**

Board members briefly discussed the District Statistics for April, 2016.

**Item # 7. Discussion: Decision: review and approval of Minutes from April 6, 2016**

Board members reviewed the Minutes from March 2, 2016. Lannie then made a motion to approve the minutes as corrected. Lynn seconded the motion. All voted in the affirmative except Gary Ross who abstained as he was not present at the April 6 meeting. Motion passed.

**Item # 8. Discussion:** The next scheduled Board Meeting will be on Wednesday, June 1, 2016 at 7:00 P.M. This will be two days after the Memorial Day Holiday Weekend.

**Item # 9. Motion to Adjourn:** Zane made a motion to adjourn. Gary seconded the motion.

9:45 P.M.

Signed:\_\_\_\_\_