

MOUNTAIN GREEN SEWER IMPROVEMENT DISTRICT
5455 West Old Highway Road, Mountain Green, Utah 84050
Minutes of the Board of Trustees Meeting
Wednesday, May 6, 2020 6:00 P.M.
APPROVED

Board Members Present: (Chairman) Larry Nance, Zane Gray, Lannie Jolley, Taylor Nielsen and Nathan Hill. **Employees Present:** Kent Wilkerson (Manager) Heather Burger(transcriptionist) **Guests Present:**Cliff Linford and Jared Anderson (Sunrise)

A. Call to Order: Chairman Larry Nance welcomed everyone present then called the May 6, 2020, meeting to order at 6:08 P.M.

B. Prayer: Zane Gray

C. Approval of Agenda: Member Hill Made a motion to approve the agenda. Chairman Nance Seconded. All in favor. Motion carries

D. Declaration of Conflicts of interest: None.

E. Approval of Minutes: Board members reviewed the minutes of the meeting from April 8, 2020, and discussed corrections to those minutes as follows:

1. Member Hill pointed out that the minutes should remain consistent in using last names rather than first names.
2. Chairman Nance asked that the minutes have page numbers.
3. Member Gray made a correction to the spelling of his last name. Should be spelled 'ay' not 'ey'
4. Chairman Nance questioned the 2nd page, 4th paragraph, 2nd sentence. Whether the BNR plan in fact scored "low" on aesthetics. Decision was made that the description should be 'lower than' the MBR expansion, but not 'low'.

Member Gray made a motion to approve the minutes as corrected. Motion was seconded by chairman Nance. All voted in favor. Motion carries.

F. Public Comment: None

1.) Plant Expansion _Sunrise Engineering

Member Hill asked member Nielsen if he had any meetings with Sunrise engineering recently. He said he had not met with them in the last month, but they had talked on the phone. Manager Wilkerson has had the majority of interactions with Sunrise, going through a lot of the criterium, and finishing out the items on the board's list.

Cliff Linford began by saying that Sunrise is a little behind on schedule of delivering the Capitol

facilities plan. He said that they have found that producing the capital facilities plan, the Impact fees plan and final distribution report simultaneously has been beneficial for correcting errors, and keeps them on track for the final deadline of having these documents in for the June board meeting.

From a capacity stand-point, the distribution system is in good shape. There are only a few minor projects that Sunrise is recommending over the next 5-10 years. Most of the other projects coming out of the distribution analysis will be dependent on growth in the community.

Sunrise has been looking into a number of funding options for the plant expansion. Organizations that they have been in contact with include:

- a. Rural Development (RD)
- b. Water Quality Board (WQB)
- c. Community Impact Board (CIM)
- d. Private loan (Zions)

RD can fund the entire project. They are federally funded, so there may be a few more hoops to jump through. WQB has the lowest interest rate at 1.5%, but they can't fund the entire project. Sunrise is looking into joint funding between WQB and CIB. CIB has a higher interest rate at 2.5%. Both most likely come from state dollars, so there are fewer stringent requirements than the federally funded RD. Zions was out of range in the rate analysis, offering a 20 year loan at 3%. Sunrise is recommending the joint funding scheme between WQB and CIB even though it is a higher payment per year because of its 30 year term. The 30 year term would mean that the Sewer District could close the loan before the next expansion is required. 30 years would also save significantly in the long run over the 40 year option. Cliff Linford will send the total repayment amounts for each option to Manager Wilkerson for distribution to the board.

Cliff Linford explained the deadlines for submitting applications for funding. Both CIB and WQB can be submitted in October at the earliest. RD can be submitted anytime, but requires the preliminary engineering report and RD's environmental assessment prior to submitting the application. Funding for these would be front loaded by the sewer district, but could be included in the loan amount.

Member Nielsen suggested that he take the funding options before the expansion committee and overlay them with the projected growth and development for the district with an eye to make decisions at the June board meeting. Cliff Linford agreed that making a decision in June would still leave plenty of time to prepare for the funding submittal deadline in October.

Member Nielsen and Cliff Linford committed to meet with the WQB and CIB before the June board meeting to make sure that the timeline for the expansion project works for them and

meets the needs of the projected growth and development of the district.

Member Hill asked that Member Nielsen talk with Sunrise about adjusting the depreciation fund amount so that the district can save as much in interest as possible on the term of the loan.

Cliff Linford will send the board a copy of the financing options presentation.

2.) Possible Ordinance Changes _ Board/Manager

Chairman Nance questioned 2.01.1 whether the wording should be “typically” or “will happen”. Member Nielsen felt that the word ‘typically’ should be changed to ‘shall’ so that the developer is obligated to have the pre-scoping meeting. The change was made to ‘shall’ and also ‘recommended’ was changed to ‘required.’

Chairman Nance asked if there is a provision to keep developers from skirting the annual renewal fee on will serves. Manager Wilkerson said that developers pay the first years’ will serve up front and then their account is checked to make sure that their stand-by fees are up-to-date.

Member Nielson asked if there were any other changes to the text. Manager Wilkerson said no.

Manager Wilkerson said that once the language in the ordinance is modified there needs to be a public hearing to approve the changes.

Manager Wilkerson recommended that empty lots should be required to pay the standby fee of \$100 per ERU. The current ordinance does not specify which vacant properties should be required to pay or not. Member Nielsen suggested that there should be a minimum time frame + minimum first year fee of \$100.

Manager Wilkerson clarified that he does not intend to back charge current land owners, but that the fee will only apply going forward.

Member Gray questioned what qualifies as a “vacant lot”. Manager Wilkerson said this should be a lot that is hooked up to the sewer, but isn’t using water. The suggestion was made that the power bill should also be required to be submitted.

Manager Wilkerson asked for feedback about whether the board meeting packets process should be written out as an ordinance or whether the process should be at the discretion of the administration. Chairman Nance said it should be an administrative decision. Kent then itemized the specifics of that process. Member Gray said that the process should be as convenient as possible for the Manager. Member Hill said he approved of the specifics of the process.

Manager Wilkerson said that if there are conflicts of interest with signatures that it should go to the Chair of the board. Chairman Nance said that he feels the signatures protocol should be an administrative decision not an ordinance. There was some discussion about what types of documents should be given to the Chairman to sign. Member Nielsen asked if there should be a monetary limit about what can be signed by the Manager. Manager Wilkerson said there is something along those lines in the purchase policy or that the monetary limit should be aligned with the purchase policy.

Member Nielsen seconded the importance for having standard specs and drawings for the district. He suggested some that are used in Ogden and have served the city well. There was a consensus to go ahead and make changes to standardize the current specs and drawings.

3) Customer account Payments Based on COVID-19 Condition

Member Gray suggested that the district is covered with the current hardship policy. Member Nielsen said that the decrease in payments has not been significant. There may be concerns going forward, but no policy changes are needed at this time. Member Nielsen concurred that the current hardship policy is sound. Manager Wilkerson said that he would keep the board updated about any significant changes in payment delinquency

4) MGSID Logo update

Decisions: Remove SID, add 'Sewer District', abbreviate 'established'

The new logo will be attached to things going forward. Won't incur costs changing the old logo on letterheads etc.

5) Website Update

Member Gray suggested that board members contact information should be included on the website. Emails and phone numbers only, not addresses. Member Gray also suggested that maps of the district be added, meeting schedules, minutes and agendas. Annual budgets will be posted, but not the monthly financials. Standard drawings can also be added once they have been updated and adopted. Bill Payment by credit-card on the website was suggested and discussed as a possibility.

Member Hill also questioned how detailed the maps would be that are posted on the website. For safety purposes, it was decided that sewer lines, pump stations and other specifics about the sewer system should not be posted.

6) Resolution_Water SMART grant opportunity -Wastewater use

Possible resolution to apply for a water smart grant. The concern with the application is that it's federal money. They would pay 25,000 towards a study of water reuse. The funds required from the district to match the grant funds will come out of the current capital facilities plan for the district. No further costs would be incurred than the ones already planned for. Citizens who own

the water rights for the water that would be reused have been talked to and are positive about being involved in the plan for possible reuse.

Member Nielsen brought up the concern that submitting the application and then not accepting the grant may have negative implications for future grant applications. Including federal funding as part of the Sunrise expansion is a concern. Federal requirements are stringent and may not be worth the \$25,000. Member Nielsen will be meeting with Manager Wilkerson and the grant administrator. There are time constraints because the grant application is due at the end of May.

Member Nielsen recommended that the district go forward with the grant so long as the above concerns are addressed and resolved with the grant administrator. Chairman Nance suggested that the board authorize member Nielsen to make the decision about applying for the grant based on member Nielsen's meeting with the grant administrator. Member Nielsen said that he would do that after updating the board via email.

Chairman Nance made a motion to approve the resolution to apply for the grant subject to member Nielsen's meeting to resolve the funding concerns. member Gray seconded the motion. All voted in Favor.

7) Review Reports

a. Auditor's report.

Done in April for the financials in March. Noted was the purchase of a new conference table. Member Hill questioned what the board wants to do with the points that Kent gets on his company credit card? New ideas or discussion about Christmas gifts. Board members should bring ideas to be discussed in a future meeting. Manager Wilkerson noted the possible purchase of \$200 worth of gift cards for Dennis Baldwin. Board members agreed, and suggested a nice card to go with it.

b. Manager's Report.

Member Nance asked how we have a budget balance with a negative income. Manager Wilkerson to check that out.

Chairman Nance asked for page numbers on all minutes and reports.

Manager Kent explained that Sunrise estimates that the district will reach its maximum capacity for phosphorus in 50 more connections.

Chairman Nance also asked about the amount of lots on the Northside Creek development. Manager Wilkerson explained that the current application with the county is for 22 lots which doesn't match the Northside Creek website which says there are 24 lots. Manager Wilkerson says that they intend to petition the county for 3 additional lots. It will be discussed in the next meeting.

Chairman Nance pointed out the manhole that is in a creek at the Shady Creek development. Manager Wilkerson to check.

Member Gray said that he estimates that MGSID will be able to put about \$200,000 in the depreciation account for the year. The year to date amount is off by \$15,000. Manager Wilkerson said that it may just be funds that need to be re appropriated.

Member Hill noted the negative number in the bottom right hand column. Manager Wilkerson to check.

Member Hill questioned who is going to rebuild the pumps and how much will it cost? Manager Wilkerson has requested from the original supplier to know how much it would cost to replace the pump. The warranty on the pump says that they should be rebuilt every 10 years. The district is at 11yrs and just starting to get minor warnings. Manager Wilkerson and Nate Hadley will remove the pump and take it to Johnson electric to price out a rebuild and compare with the price of a new pump.

8) Board new Business

Chairman Nance made a motion to go into an executive session to discuss the possibility of litigation. Seconded by member Hill. All in favor. Motion carries.

Chairman Nance made a motion to go back into public session. Seconded by member Gray. Chairman Nance noted the decision made during the closed session for the board to respond to a letter by Mr. Johnson which will be signed by the chair. Motion to approve the letter was made by member Gray, seconded by member Hill. All in favor.

9) Motion to adjourn

Chairman Nance made a motion to adjourn. Seconded by member Gray. Meeting adjourned.

Signed by Chairman