

MOUNTAIN GREEN SEWER IMPROVEMENT DISTRICT
5455 West Old Highway Road, Mountain Green, Utah 84050
Minutes of the Board of Trustees Meeting
Thursday, April 8, 2021 6:00 P.M.
APPROVED

Board Members Present: Larry Nance (Chairman), Zane Gray, Bill Coutts, Nathan Hill and Taylor Nielsen **Employees Present:** Kent Wilkerson (Manager) Heather Burger (transcriptionist) **Guests Present:** Cliff Linford (Sunrise), Marcus Keller (Zions), Ryan Bjerke (Chapman and Cutler)

A. Call to Order: Chairman Larry Nance welcomed everyone present then called the April 8, 2021, meeting to order at 6:00 P.M.

B. Prayer: Member Gray

C. Approval of Agenda: Member Coutts made a motion to approve the agenda as posted. Chairman Nance seconded. All in favor. Motion passed.

D. Declaration of Conflicts of interest: None.

E. Approval of Minutes: Member Gray made a motion to approve the minutes for April 3rd and April 17th with corrections.

F. Public Comment: None

Agenda Items

1) Zions / Bond Counsel

Mountain Green received an initial offer from the CIB at 2% over 30 years. Marcus Keller emphasized that he was pleased with the bond interest rate, and felt that the CIB had come down from what he was expecting them to offer. Chairman Nance asked whether there was any possibility of a reversal/change to the CIB's decision at the meeting scheduled for June. Mr. Keller said that normally the funding meeting is a formality and that there shouldn't be any changes, especially considering that the district is getting a loan and not receiving grant money.

Chairman Nance asked about a requirement from the Water Board for the District to develop and implement an asset management program. He wanted Mr.Keller to clarify what that entails. Cliff Linford explained that the asset management program is just documenting the life expectancy of various assets, such as pumps and other equipment, and having a financial plan for replacing those assets as necessary. The Chairman asked Mr. Keller to review that requirement for the loan so that the District can be prepared. The Chairman also requested that Mr. Keller and Mr. Linford provide a tentative loan receipt and payment schedule. Mr. Keller said that he would work with Mr. Linford on that. He said that there is incentive to close on the CIB loan quickly because the interest does not start accruing right away, so the District will want to take advantage of the interest free period. The DEQ loan will be released in 3 separate tranches over the next 3 years.

Mr. Keller introduced the District's Bond Counsel, Ryan Bjerke. He is an attorney with Chapman and Cutler out of Salt Lake City.

Mr. Keller went over important upcoming dates in the bond sale process. The actual funding meeting with the CIB will be June 3rd. Public notice of the bond is scheduled for May 14th. This begins a 30 day period for residents to contest the bond if they choose.

There was some discussion about whether the District's June board meeting should be held on the 2nd as scheduled or on the 9th since the final CIB meeting will be held on June 3rd. The chairman asked Mr. Keller to let the Board know at the May meeting which day would be best. Mr. Bjerke pointed out that even the 9th might be too soon to hold the meeting since the CIB will make a decision on the 3rd, but then also send out a final letter with terms and conditions which the Board will want to review before adopting a resolution. Mr. Keller said that the dates should be finalized by the May meeting.

2) Wasatch Peaks Ranch Update

There are 4 work orders that have been released since the agreement with Wasatch Peaks Ranch. Namely, the updated Capital Facilities Plan, the Parkline pressure line, Canyon View lift station, and the bore under I84.

Member Gray asked the manager for an explanation on the bore, asking what "85K hourly" meant. The Manager explained that the bore is an hourly contracted project which is estimated to cost \$85,000. The important issue is keeping the project within the estimated time frame.

Cliff Linford gave the Board an update on how WPR is affecting the CFP overall. The Addition of the Canyon View lift station meant that a number of the capital improvement projects were removed and/or changed for other, lower cost projects, to the District's benefit. The Canyon View lift station is larger and in a better location than the previously planned Monte Verde lift station. Mr. Linford recommended that the Board wait for a formalized document with WPR before updating the CFP, and also until the final bids are received on the project.

The agreement with WPR does affect the capacity of the plant. The original plant was designed at a capacity of 1.5MGD which was projected to last 27- 28 years. With WPR coming on that projection is reduced to 22-23 years. That will not affect the lifetime of the 3 MGD plant, but the necessity of upgrading to the 3 MGD plant is accelerated by about 5 years.

From a cash flow perspective, having WPR come into the project in the early stages has been favorable. Originally, the CFP had projected 5 million dollars from the Water Quality Board at 1.5%, but the actual result was 7 million dollars from WQB at 1.3%. The CFP had projected the remainder of the funds from CIB at 2.5%, but the District actually received the remainder at 2%.

Both help to improve the cash fund analysis, and ultimately the sewer rate, but it will negatively affect the impact fee.

Member Hill asked what the estimated cost is from going from the 1.5MGD plant to the 3.0 MGD. Mr. Linford estimated a 5-7 million dollar upgrade.

Chairman Nance asked when Mr. Linford expected to update the impact fee. His recommendation was to postpone doing that until the end of 2022, when the design for the treatment plant and bids are complete for the project. The Chairman asked Mr. Linford to clarify some information on the Gantt chart. He asked Mr. Linford to indicate the separate projects on the Gantt chart going forward.

Member Hill asked Mr. Linford to clarify which of the Val Poll projects would affect the District's timeline for installing the lift station. Val Poll is laying pipes that go to the new lift station which will affect the timeline. Mr. Linford said he would reach out to Mr. Poll to get an exact timeline on his project and then update the District's timeline accordingly and inform the Board. Member Coutts pointed out that the MOU stipulated a required completion date for the water line.

Mr. Linford explained that the controlling factor given by the army corp is that the pipes laid for the river crossing need to be 3 feet below the bottom of the river. This will control where the lift station ends up. They estimate the lift station to be about 21 ft deep which, Mr. Linford said, is very feasible. He will be submitting their plans for the river crossing soon.

Vance Bostock gave the Board an update on the WPR project. The concept design was approved by the county about 3 weeks ago. They are currently working on a preliminary plat. There have been skiers testing the runs and researching them for avalanche safety over the past winter. The goal is to have a couple of chair lifts in operation by next winter. They have been meeting with the county on a nearly weekly basis to keep the project going. They intend to submit the first piece of sewer concept design before the next board meeting in May. The first pieces to go vertical will be 52 lots with 2 of the buildings for the village. The plats for those should be done by this fall and they plan to start building next spring.

Member Nielsen noted with gratitude all the work that Sunrise has done for the project.

3) 2021 MWPP

This standard report was reviewed in detail by the Manager and member Coutts. It was updated with current numbers and the manager was seeking any remaining input before he submits to the State.

Member Coutts made a motion to accept resolution 2021-1 as corrected. Member Gray Seconded. All in favor. Motion passed.

4) Update on Infiltration Problems

The Manager explained some investigations he has made into the infiltration problem that is ongoing. He did some research on metering manholes, and found that solution to be temporary, not cost effective, and otherwise unsatisfactory. He explained that he feels more confident about managing the problem with regular cleaning and inspections. The drier than normal conditions have made it difficult to identify infiltration in some areas, but the inspections occur on a rotational basis and should be covered in future seasons.

The Board had some questions for the manager about infiltration issues he had discovered and how he is managing these. Member Hill asked when most infiltration occurs or is an issue and the manager explained that most of it is because of spring run off. Member Hill suggested that the manager focus on the ones that he knows are going to give him an issue for the next 9 months and then revisit the ones that are a problem with spring runoff as that time approaches next year.

5) System Cleaning and Inspection Contract

The manager presented feedback that he had received from contractors who were interested in doing the system cleaning and inspection for the District. The Board gave their feedback on the information he received. "Twin D" was recommended by the Manager for a multi-year contract.

The Chairman asked if the problems with Pro-pipe were addressed while looking for a new contractor. The Manager explained that he felt they were. Twin D offers a 10% reduction in cost if the services are not completed in a timely manner which he felt was an indication of their commitment to get the job done efficiently.

Member Coutts said that he had vetted the manager's process for sending out RFPs and he felt confident that Twin D seemed like the best contractor.

The Chairman asked whether they should start this year or next. The Manager said they should start this year.

Member Coutts motioned to approve the Manager's recommendation to appoint Twin D as the District's contractor for cleaning and inspection. Chairman Nance seconded. All in favor. Motion passed.

Member Gray and Chairman Nance asked Manager Wilkerson to send out a copy of the proposal that Twin D sent the District.

6) Reports

Auditor: Good month overall. \$71,000 ahead. The Sunrise bill had not come through which is why the numbers are so high. The Sunrise bill has now been paid. It was split somewhat with WPR. \$55,000 went into the PTIF accounts. The reports for the State are all up to date.

Personnel: Member Coutts recommended that the Board go into a closed session to discuss personnel items. This was done after the Manager's report.

Manager: The Chairman asked that the Manager input the actual data manually if Quickbooks does not enter it correctly. He asked about the amount that the Manager had deposited into the depreciation fund and what his plans are for that going forward. The Manager explained that he had planned to pay the depreciation amount first and then put the excess money going forward into the new resident share for the new facility.

There were no building permits issued in March.

The current ERUs were reported incorrectly. There was some discussion about this, but the Chairman was just concerned with knowing the correct number. He asked the manager to investigate and report back to the Board.

Member Coutts asked if Ed was planning to stay with the District for the next year, and Manager Wilkerson said that he hoped so. He also suggested that the Manager put the WPR permit applications on his list of select forward items. The Manager said his intent was to list them at the bottom of the Gantt chart. He would like to make a more precise chart with specific dates and more specific information. The Chairman agreed and specifically asked for the information/dates from Val Poll, as far as it's possible.

Member Hill asked that if estimated completion dates come and go without an item being completed on the Manager's to-do list that the Manager should provide an update and a new estimated date of completion.

7) Board New Business

- Update on Credit Card use and website

Member Coutts made a motion to go into a closed session to discuss personnel matters. Chairman Nance seconded. All in favor. Motion Passed.

Member Coutts made a motion to go back into a public meeting. Member gray seconded. All in favor. Motion Passed.

No decisions were made in the closed session.

The Manager found the correct information about ERUs and confirmed that the correct number of current ERUs is 2043.

8) Motion to Adjourn

Member Hill Motioned to adjourn. Member Coutts seconded. All in favor. Meeting Adjourned.