

MOUNTAIN GREEN SEWER IMPROVEMENT DISTRICT
Board of Trustees Meeting
7:00 P.M., Thursday February 19, 2009

Board Members Present: Chairman Lannie Jolley, Ron Lawson, Blair Larsen, Tina Kelley, Wendy Eliason and Lynn Peterson. Others Present: Dennis Baldwin, Janet Boudrero and Ben White.

Excused: Shane Rice

Invocation: Blair Larsen

Chair: Lynn Peterson, Co-chair, welcomed those present and chaired this meeting. He said, "Let's start this meeting and get the ball rolling!"

Item #1. Discussion / Decision: Advance Funding and Impact Fee Issues.

The topic considered is whether the District should change the Advance Funding policy to reduce the Advance Funding amount to 25 percent and hold that 25 percent until 75 percent of the lots are built on, before reimbursing any of the first 25 percent. In addition, Rulon Gardner requested that some (20 lots) of the 100 percent funds advanced for Phase III be applied to Phase IV to satisfy the 25 percent advance for Phase IV.

Board members shared their different viewpoints on this item and how they feel it would impact the District. After some discussion Blair asked Dennis if he feels that it is feasible in his view, and Dennis replied that it is reasonable. Dennis stated that Rulon has indicated that, when the economic situation improves, the Board could resume requiring payment of 100 percent Advance Funding. With regard to Phase IV, Dennis explained that, if the Board concurs in this proposal, we would just sign the plat without any transfer of new funds.

Dennis acknowledged that, in years past, it was essential to charge 100 percent Advance Funding in order to expand treatment capacity, but that, in view of the severe downturn, in the near-term it is not necessary to charge 100 percent, and when home sales pick up again the Board could resume the 100-percent requirement.

Lynn remarked that he feels that we definitely are in for some very grim times ahead and we have just seen the tip of the iceberg. He said that this proposal is something that we could consider in light of the difficult times.

Tina expressed several items of concern. She emphasized that the District has the responsibility to protect existing homeowners and that charging only 25 percent Advance Funding makes it more likely that the District will have to bond in order to pay for a future expansion. She also stated that protecting the developer cannot be the District's consideration and that she does not look at what the developer needs or how they have structured their loans.

Tina emphasized that she wants only what is in the best interest of the entire District and the taxpayer. She also pointed out this downturn is a temporary situation and that years down the road different Board members may not remember why these policies were changed.

Blair stated he cannot see a downside as long as it is stipulated that the District may resume requiring 100 percent Advance Funding when the economic situation improves.

Wendy suggested including a hard date (expiration) in the document or policy instead of it being temporary.

Ron mentioned that we need to give serious consideration to this proposal making sure that it is fair to everyone.

After considerable discussion Blair made a motion that the Board direct Dennis to draft a policy regarding the 25 percent Advance Funding and to e-mail the proposed policy to Rulon Gardner and to Board members for review. The policy would be reviewed and voted on in the next Board meeting. Ron seconded the motion. Ron, Blair, Wendy and Lannie voted in the affirmative. Tina opposed. Motion passed.

Tina also recommended that they have the document reviewed by an attorney and preferably by a land use attorney.

Dennis stated that he will prepare a policy for Board review at our next Board meeting.

Item # 2. Discussion / Decision: Postponing Impact Fee Increase

On June 26, 2008, the Board adopted an increase of the Impact Fee to \$5,700 to be effective 1 August, 2008. In the August 14 meeting, the Board agreed to postpone implementation for six months. This item concerns extending the delay for another six months.

Tina emphasized that, regardless of how or when the economy improves, the District is still responsible for further expansion at a cost at least what we have projected and probably more; therefore, the higher Impact Fee should be charged in order to accumulate funds needed for that future expansion.

After considerable discussion on this item Blair made a motion that we extend this moratorium for another six months and look at it again at that time. Lannie seconded the motion. Those voting in the affirmative: Ron, Blair, Wendy and Lannie. Opposed: Tina. Motion passed.

Item # 3. Discussion / Decision: Billing Issues.

The Board next considered the proposed policy regarding fair billing issues for both residential and commercial properties. Tina remarked that since this will be an ordinance it should be reviewed by a Land Use attorney to make sure that we are following the advice of our insurance company.

Dennis agreed to gather all of our policies and ordinances and have an attorney review all of them collectively, instead of one or two at a time.

After more Board discussion Ron made a motion that we approve this Sanitary Sewer Service Policy that Dennis has presented. Wendy seconded the motion. All voted in the affirmative.

Board members further discussed this item and Ron stated that he will take as an assignment to contact Attorney Mark Anderson and get some recommendations for an attorney with expertise and specific knowledge in Special Districts and then report back at our next Board meeting.

Blair Larsen made a motion that in an effort to hire an attorney that the District assign Ron Lawson to come up with some names of attorneys, which would have specific knowledge in Special Districts to be reviewed in our next meeting. Lannie seconded the motion. Motion passed.

Item # 4. Discussion: Headworks Design and Construction.

Dennis reported that Angela Curtis is leaving AQUA Engineering and apprised the Board of her replacement, Boris Petkovic. Angela and Boris visited our facility and presented Dennis with a review copy of the headworks mechanical drawings. Dennis is reviewing the drawings and will send comments back to AQUA. The District expects AQUA to prepare a design package and to advertise for interested contractors. If the bids are within our budget, then the Board could approve of immediate construction. If the bids are over budget, then the Board could postpone construction until more funds are available.

Item # 5. Discussion: ULGT Risk Management Assessment.

Board members next reviewed those items that Jason Watterson, risk manager for the Utah Local Governments Trust, identified as increased risk to the District personnel and property.

Dennis explained the safety items will be addressed in the monthly System / Safety meeting with the operators. Lynn questioned if the operators have or are required to have Hepatitis shots. Dennis indicated that yes they will be getting them.

Item # 6. Discussion: Construction Progress and Plant Operations.

The Board discussed construction progress and operations at the plant. We are still running one blower at 75 percent speed and with all air diffusers fully on. Total suspended solids (TSS) in the effluent remain fairly high but within limits (<25 parts per million) and biological oxygen demand (BOD) readings are running below 10 parts per million.

Item # 7. Discussion: District Statistics (as of January 31) and review of February 5, 2009 minutes.

After review of the District Statistics and minutes from February 5, Ron made a motion to approve the minutes with corrections. Wendy seconded the motion. Motion carried.

Adjourned: 9:10 P.M.

Signed: _____