

MOUNTAIN GREEN SEWER IMPROVEMENT DISTRICT
Board of Trustees Meeting
7:00 P.M., Thursday, June 18, 2009

Board Members Present: Chairman Lannie Jolley, Ron Lawson, Tina Kelley, Shane Rice and Wendy Eliason. Excused: Blair Larsen and Lynn Peterson. Others Present: Dennis Baldwin, Janet Boudrero, Lynn Wood and Jennifer Johnson.

Invocation: Ron Lawson

Chair: Lannie Jolley welcomed Board Members present and visitors Lynn Wood and Jennifer Johnson, who were in attendance to present our 2008 Financial Report.

Item # 1. Discussion / Decision: Audit Review

Lynn Wood presented to the Board the 2008 financial report. Lynn said that they have completed their audit and have issued a 'Non-Qualified Opinion' which Lynn indicated is about the best you can get.

He stated that we have been very fortunate to have had the advance funding so we did not have to bond to complete our expansion project. He had much praise for the stewardship of the District and acknowledged Ron Lawson for being one of the pioneers in the development of the District and for his many years of service. He reported that he has reviewed many districts and businesses and said that we are in great shape in comparison, including our upgraded system and of course, "NO" interest-bearing debt.

Lynn then briefly reviewed the Balance Sheet covering expenses and income resulting in a net income of approximately \$70,800. He stated that we had an excess of expenses over income due to depreciation, professional services and engineering fees, but we collected more money from our property taxes, impact fees and interest income, resulting in a net income of \$70, 800. We also show net assets of \$3.2 million and Lynn remarked that our system is worth a lot more than that with our upgraded system and all of our lines etc.

Lynn also stated the new residents are getting quite a bargain and again said that our financial report is a very positive one, and if we want to compare ourselves with other Districts, we can look under the website of the State Auditor's office.

The only recommendation that they had for the District was to investigate some other banks and see if we could a better interest rate on our different accounts than what the P.T.I F. is currently offering.

Jennifer took a few minutes to explain how the cash receivables and disbursing system is working. She reported that the inner controls are good and they see no problems with the system and it is very helpful to have two sets of eyes on the monies that come in and the

monies going out and had no specific recommendations. Jennifer and Lynn both thanked Dennis for his work with the internal auditing.

After more discussion Ron Lawson made a motion that we approve the financial audit report as presented this evening by Lynn Wood and that any fees be paid for their services. Shane Rice seconded the motion. Motion passed.

Lannie made the suggestion that we update our History website with special acknowledgements and recognition to Ron and Dennis for their many efforts spent on behalf of the District.

Tina suggested that the Special Districts Organization should use our District as an example to the State Legislature because last year some legislators wanted to eliminate special districts because of their inefficiency.

Item # 2. Discussion / Decision: Headworks and Lift Station Bid Review

Board members discussed this item at some length. Wendy asked Dennis the meaning of 'actual' cost regarding change orders. Dennis indicated it is the cost of labor and materials for the change order and contractors are allowed an additional 15% for overhead and profit on the change order.

Tina remarked that she has never questioned ABCO's competency as she found that they do perform quality work. She had some concerns about excessive change orders.

Dennis answered some concerns regarding the 180-day time frame and how that was established. Dennis stated that the 180-day requirement was put in the contract by AQUA and is a reasonable time period for this project.

After further discussion on this item, Wendy made a motion to accept the low bid from ABCO, based on AQUA Engineering's recommendation and the information we have received and discussed this evening. Shane seconded the motion. Motion passed. All voted in the affirmative.

Shane inquired as to when they will begin this project. Dennis said that he will notify AQUA first thing in the morning and AQUA will issue the Notice to Proceed.

Item # 3. Discussion / Decision: Dry Creek Berm Dressing

After some explanation by Dennis and further discussion by Board members, Tina moved that we offer SMC the additional amount of \$1000 for a total of \$1890, to bring back his equipment to do finish work on the berm with the finding that the initial delay was not the fault of the contractor. Ron Lawson seconded the motion. Motion passed. All voted in the affirmative.

Item # 4. Discussion: Monte Verde Lift Station Upgrade

Dennis updated Board members on the current situation on the Monte Verde Lift Station upgrade. The County Planning Department found that a sewer utility was not included as a permitted use for a commercial zone and has proposed to change the regulations to allow it. Dennis is hopeful that an enabling action will be presented to the Planning Commission next week and that if approved there, it will be addressed by the County Council in its July meeting. If the Council approves the change, we should be able to obtain the building permit.

Item # 5. Discussion: Website Content

Board members briefly discussed this item and offered ways in which they could contribute to this endeavor. Tina remarked that she will talk with Linda Smith, the County Historian, to see if she still has a group picture of our Board members that was taken in early 2008, and she also offered to talk with Shad Guffey, who has offered to take a fly-over aerial picture of the District's Lagoons and property.

Dennis will check with Duane Johnson about taking some pictures from his veranda showing the District property and ponds.

Wendy stated that she has many pictures of Mountain Green and will review those and see which ones could be included in our official website.

Ron reminded Board members of Bill Holyoak and his still having the aerial photos of the District and surrounding property.

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

Dennis updated Board members on the construction progress and plant operations. The monthly lab results of outgoing water quality are still well within requirements. Tina reported that she had several calls regarding a flooding situation in the Whisper Ridge development and that some residents were concerned about a sewer back-up due to water and silt running into the sewer. Dennis indicated that he will investigate.

Item # 7. Discussion: Board Election

Board members were apprised of the upcoming Board Election and that the positions of Ron Lawson, Wendy Eliason and Blair Larsen are up for reelection. Ron advised the Board that he will not be serving on the Board after his present term is expired. Board members were urged to seek community members who would be willing to serve.

Item # 8. Discussion: District Statistics

Dennis briefly reviewed current District finances and population statistics. As of May 30, the District has 651 equivalent residential units connected into the system.

Item #9. Discussion / Decision: Review of June 4th minutes.

After review of Board Minutes from June 4, 2009, Ron moved that we approve the minutes as written. Wendy seconded the motion. Motion passed.

Adjourned: 8:43 P.M.

Signed: _____