

MOUNTAIN GREEN SEWER IMPROVEMENT DISTRICT
Board of Trustees Meeting
7:00 P.M., September 3, 2009

Board Members Present: Ron Lawson, Blair Larsen, Tina Kelley, Wendy Eliason and Lynn Peterson. Others Present: Dennis Baldwin, Janet Boudrero and Dave Tolman. Excused: Shane Rice.

Invocation: Blair Larsen

Chair: As the Chairperson, Lynn Peterson, was not present at the start of meeting, Ron Lawson welcomed those present and conducted this meeting. Wendy acted as co-chair while reading each agenda item. Ron then turned the time over to Dave Tolman for his remarks to the Board members.

Public Comment Period:

Dave Tolman expressed appreciation for the invitation to attend tonight's meeting and for the opportunity to share some of his concerns.

His understanding is that, when he paid Advance Funding for the lots in the Whisper Ridge development, he and his buyers would be guaranteed connections at whatever point in time the buyer decides to build. The Advance Funding paid by developers enabled the District to pay for the upgrade in capacity to accommodate the developments. Since there is now ample unused capacity, he questions the District's need for any increase in Advance Funding per lot from the developers.

He understands the need to plan ahead for future needs in the District but feels that passing on any increases to the developer is not fair. He stated that, with the severe downturn in the economy, developers are not only having to lower their lot prices substantially but are having to include with the lower property price the cost of the Impact Fee.

Blair also shared some of his thoughts in regards to this item. He too understood that the lots for which Advance Funding had been paid would not be subject to an increase in the Impact Fee. He proposed that the Board should revisit the Impact Fee policy and come to an agreement on whether it is fair to charge a higher Impact Fee on the lots for which Advance Funding had been paid.

Tina explained that she understands Dave's position but also emphasized that the Board had discussed the issues with the major developers and made it clear that the District does not pre-sell sewer connections and that the Advance Funding only guarantees that connections will be available to those lots for which Advance Funding has been paid. In addition, the Advance Funding will be incrementally repaid when the lot owners pay their Impact Fees. There was no explicit agreement that the Impact Fee would remain fixed at the same level as it was when Advance Funding was paid.

She again emphasized that the District does not sell sewer connections up front and therefore the developers could not have bought them. The Board is responsible to protect the community as well as to provide sewer service to new developments and the increase in Impact Fee is needed to finance further expansion of capacity because the next expansion will be much more costly than the recent expansion. She acknowledged that the District could not have moved forward with the expansion without Advance Funding but noted that the developments could not have gone forward without the promise of increased capacity afforded by the Will-Serve Letters that the District provided.

Tina reminded the Board that not passing on the increase to the remaining [400] Advance Funding lots means that substantially less money [~\$500K] will be available at the time the District has committed to begin further expansion, and there is no way to recoup those losses.

Item # 1. Discussion / Decision: Postponing Impact Fee Increase.

Wendy confirmed what Dave Tolman has discussed here this evening regarding the downturn in the building industry and that there is actually very little going on in new home construction and that obtaining funding is becoming increasingly difficult.

Tina suggested we table this item as she plans to make a request for recorded minutes of our meetings for the past three years to see who the new Impact Fee applies to.

After Board members expressed their thoughts and concerns, Dennis recommended that the Board again postpone the Impact Fee Increase for another six months.

Blair then made the motion that we postpone the Sewer Impact Fee increase for a period of six months with the intention of revisiting and discussing this item. Wendy Eliason seconded the motion. Ron, Wendy, Blair and Lynn voted in the affirmative. Tina opposed. Motion passed.

After more Board discussion Blair made a motion to revisit this item and further discuss who the new Impact Fee applies to. After more comments from the Board Blair withdrew his motion until our next Board meeting.

Item # 2. Discussion / Decision: Main Generator.

Dennis explained the need for a new 300 KW Generator to provide backup power for the whole system when the main line goes down. ABCO has proposed to provide and install the generator and to integrate it into the control system for \$97,451. Lynn expressed some concern between the cost of the generator, \$67,646 and the added \$30,000 for the installation, which he thinks is excessive. Dennis further explained that he thinks the figure is reasonable because it includes the transfer switch and electrical integration as well as overhead, profit and insurance. He noted that the District will be getting the new

headworks and lift station, plus the generator set for about the same amount that the highest bid proposed for the headworks and lift station alone. After comments by Lynn and Dennis, Blair Larsen made a motion to accept the change order for the main generator, transfer switch, pad and electrical integration and all that goes with it. After further discussion, Blair amended his motion that we accept the proposal for no more than \$97,450 with the addition to see if ABCO will soften the figure. Lynn seconded the motion. Wendy, Blair, Lynn and Ron voted in the affirmative. Motion passed.

Item # 3. Discussion / Decision: Mower Replacement

Dennis explained that the old mower is broken and that a replacement can be obtained at a low price if we buy it right away, as new inventory will cost substantially more next year. After further discussion Lynn made a motion to authorize the purchase of a new rotary cutter from Maw Equipment Company for no more than \$1600. Blair seconded the motion. Motion passed.

Item # 4. Discussion: Board Membership

Dennis explained that he had invited Mark Devoe to our meeting this evening but Mark was unable to be here because of other commitments. We will need to see if anyone in the District responds to our advertisement in the Morgan County News before we swear in our new Board member.

Item # 5. Discussion: Headworks and Lift Station Status

Dennis updated the Board on what is going on with the Headworks and Lift Station. He said that because of some personnel problems in ABCO and water problems at the site, ABCO has postponed further excavation until the precast lift station sections are available. Blair mentioned that it would be well for ABCO to leave a pump sleeve near the headworks to allow pumping of groundwater in the event that it is necessary to drain the area to allow for future repairs to the lift station or headworks concrete structures.

Item # 6. Discussion: Annexation of the Property at 5670 Garnet

Dennis explained that recent changes in the State's annexation process resulted in the return of the annexation documentation. Dennis will discuss the issue with the County Recorder to determine what documentation is acceptable to the Recorder. He also said that we may need another Board resolution due to the lapsed time since the first resolution was passed.

Item # 7. Discussion: Monte Verde Lift Station Upgrade

Dennis remarked that there was no response to the District ads in the county paper, but that two local contractors were contacted and agreed to provide bids for the project. The Board concurred in accepting the lower bid.

Item #8. Discussion: Website Content

Dennis gave an update on the District's website and said that three sets of pictures have been sent to Zach Winegar for possible inclusion in the website. Zach indicated that he will provide a website address for the Board to review the proposed content.

Item # 9. Discussion: Construction Progress and Plant Operations

Board members were apprised of the continuing excellent results from our lab tests.

Item # 10. Discussion: District Statistics

Dennis briefly reviewed the District Financials and other stats.

Item # 11. Discussion / Decision: Review of August 20 Minutes. After Board review of Minutes from August 20th Board meeting, Blair made a motion to approve the minutes with Tina's corrections. Wendy seconded the motion. Motion passed.

Adjournment: The Board meeting adjourned at 9:30

Janet Boudrero, Secretary