

MOUNTAIN GREEN SEWER IMPROVEMENT DISTRICT
Minutes of the Board of Trustees Meeting
7:00 P.M., Thursday, February 4, 2010

Board Members Present: Chairman Lynn Peterson, Blair Larsen, Tina Kelley, Wendy Eliason and Mark Devoe. Others Present: Dennis Baldwin and Janet Boudrero.
Excused: Shane Rice

Invocation: Tina Kelley

Chair: Lynn Peterson welcomed those in attendance and chaired this meeting.

Item # 1. Discussion / Decision: Postponing the Increased Impact Fee

During lengthy Board discussion on this matter, Board members shared their thoughts and concerns about delaying imposition of the increased Impact Fee. Tina warned that further delay means even less funding will be available for the next expansion and that the District will have to obtain an interest-bearing loan in order to finance a further upgrade in treatment capacity, which puts current residents in jeopardy. Dennis explained that future Impact Fees would be used to pay off the loan and hence the loan would not likely impact current residents.

There was considerable discussion about imposing the increased Impact Fee on existing subdivisions in which Advance Funding equivalent to the old Impact Fee has been paid. Blair asserted that it would violate an implicit agreement with the developers to require a surcharge on those lots for which Advance Funding has been paid, and emphasized that the District must not impose the surcharge on those lots. Lynn stated that he had a problem with postponing the increase again and emphasized that we should make it universal no matter which phase or development they are in and it is important to make it equal. Board members further discussed the distinction between Advance Funding and pre-paid Impact Fees. Advance Funding is essentially different from pre-paid Impact Fees in that Advance Funding is reimbursed to the developer when the lot is built on and hence Advance Funding is not subject to the six-year rule that affects Impact Fees.

It was noted that the current number of equivalent residential units (ERUs) using the system is about 700 units, which is less than 40 percent of the 1800 units capacity. Thus we should have a number of years before it will be necessary to upgrade further.

After extensive discussion, a compromise was finally achieved. Tina made a motion that the \$5700 Impact Fee should be imposed beginning April 1, 2010. She further moved that lots in approved plats for which Advance Funding has been paid before April 1, 2010 shall be exempt from a surcharge. Lots in any new development or phase not in a plat approved before April 1, 2010 shall be subject to the \$5700 Impact Fee. Blair seconded the motion. Motion passed unanimously.

Item # 2: Discussion / Decision: Advance Funding Surcharge

Blair proposed combining this controversial topic with Item #1; thus, the intense discussion about the Advance Funding Surcharge is reviewed in Item #1.

Item # 3. Discussion: Refund from Rocky Mountain Power

The Board was apprised that Rocky Mountain Power (RMP) has been charging sales tax for power used by the new blower system. Since the District is not subject to such tax, when this was brought to the attention of RMP, the company agreed to remove the tax and to reimburse the District \$2,008 for tax paid plus interest.

Item # 4. Discussion: Headworks and Lift Station Status

It was explained that ABCO has essentially completed construction of the headworks, lift station, valve box, metering box, manholes and underground piping. Rose Electric has installed all switch boxes, control panels, all of the conduits and has pulled virtually all of the associated wiring. Rose Electric has completed and tested all electrical connections except for the ones related to generator installation. ABCO has cast the concrete pad for the generator, which is expected to be delivered late February or early March. ABCO has several operations to complete when weather and ground conditions permit and the generator is installed.

Item # 5. Discussion: ABCO / AQUA / District Payment Differences

ABCO greatly underestimated the costs of groundwater pumping and shoring required for the project. ABCO management requested the District to pay for virtually all of the over-runs, even though the contract is quite explicit in that ABCO must bear the full cost of the project. The Board has agreed to consider further compensation, and has assigned the District administrator and the AQUA construction manager to negotiate with ABCO to define a reasonable amount. To date, ABCO management has held firm that the District should pay the full amount. If ABCO management refuses to accept something less than the full amount of cost over-runs, ABCO management may elect to present their case directly to the Board next meeting.

Item # 6: Discussion: Plant Operations

Dennis explained that the effluent lab data continues to be well within State requirements. He noted that we are having an occasional problem with measuring effluent flow, which required the attention of AQUA Environmental.

In addition, two of the three 50-hp blowers were shutting down and restarting too often. We had Rocky Mountain Power place a line monitor for a week and they determined that their supply lines were not at fault. This finding prompted Ryan Pack, the SKM design engineer for our system, to place a call to a service support firm. The technician came out and within a couple of hours identified and fixed the problem, which was due to an amperage limit control setting being too low.

Item # 7. Discussion: District Statistics

The Board briefly reviewed the financial and performance statistics of the District and did not identify any problem areas needing special attention.

Item # 8. Discussion / Decision: Transfer of Funds

After Board discussion Tina made a motion that we authorize the transfer of \$25,000 from the Operations Fund to the Replacement Fund in the State account, and to transfer an additional \$8,000 from the Operations Fund to the Emergency Fund in the State account. Wendy seconded the motion. All voted in the affirmative. Motion passed.

Item # 9. Discussion / Decision: Review and approval of December 3, 2009 Minutes.

After Board review of the Minutes from December 3, 2009, Tina Kelley moved that we approve them as written. Blair seconded the motion. Motion passed.

Meeting Adjourned: 9:10 P.M.

Signed: _____