

MOUNTAIN GREEN SEWER IMPROVEMENT DISTRICT

5455 West Old Highway Road, Mountain Green, Utah

Minutes of the Public Hearing and Board of Trustees Meeting

6:00 P.M., Thursday, February 6, 2014

Board Members Present: Mark Devoe, Wendy Eliason, Tina Kelly, Blair Larsen and Zane Gray. **Employees Present:** Robert Volk, and Annette Doyle. **Excused:** Shane Rice and Mary Jewett. **Guests Present:** Jon Call, District Attorney

Invocation: Wendy Eliason

Chair: Mark Devoe welcomed those present and opened the Public Hearing.

Item # 1. Discussion / Decision: Public Hearing to approve the IFFP, IFA and adopt the new Impact Fee based on the 2013 Preliminary Engineering Report.

Robert provided a concise presentation of the Impact Fee Facilities Plan, the Impact Fee Analysis and the new proposed Impact Fee, all of which were based on the Preliminary Engineering Report that Aqua Engineering had prepared in 2013. The District attorney, Jon Call, has worked with Brad Rasmussen from Aqua to refine the plans and calculations so they would meet the current Utah Impact Fee Act requirements.

Per the report, the proposed Membrane Bioreactor plant will serve a total of 3,289 ERUs once completed and satisfy the anticipated nutrient removal requirements from the state. The total cost of the facility, including the Trunk Line Extension, planning, construction observation and contingency is estimated at \$11,464,633, of which the cost attributable to new users is \$10,695,088. MGSID currently has 1,260 ERUs connected and/or committed, so the new plant will serve an additional 2,029 ERUs. \$10,695,088 divided by 2,029 new users equals an Impact Fee of \$5,271.11 per ERU. After a little discussion, the Board agreed that it would be easier to track if the Impact Fee is rounded off to \$5,271.00.

Robert recommended that the District not use the Reimbursement Agreement with Advance Funding on any of the developments going forward. From now on, at the time a development is platted and comes into the District for signatures, the Developer will pay an Impact Fee of \$5,271.00 per ERU or lot and then add the fee to the cost of the lot. The Developer will then be reimbursed for the Impact Fee by the buyer at the point of sale, and remove the District from the reimbursement loop. All of the Board Members were in agreement with this process.

Blair asked if this new fee would be sufficient and whether we would have to Bond and/or borrow money at some point. Both Robert and Jon explained that we will have to Bond at the point we start construction, which is when we reach 80% of our current capacity ($1,800 * .80 = 1,440$) connected because only a portion of the total Impact Fees will have been paid by then. Jon also explained that the District will have to recalculate the Impact Fee when we have to bond in order to include the exact interest

and financing costs. Jon stated that we will be able to use all of the information from this evaluation, but the financing costs will be added and can only be charged to those paying the impact fee after the 'actual' finance amount and costs are known. He anticipates that the impact fee at that point might jump to about \$8,000 or more. Blair recommended that the District be creative and do anything it can to avoid borrowing money and bonding. Everyone agreed and Robert responded with the fact that there might be grants or other money available from the state and/or federal governments in the future which will offset some of these costs. We can only calculate and impose an Impact Fee at this point based on the information we have at hand.

The Public Hearing Discussion ended at 7:15 PM. Mark moved to approve the Impact Fee Facilities Plan and Impact Fee Analysis as presented. Second by Zane. Motion passed, unanimous.

Item # 2. Discussion: Swearing in of New Chairperson, Vice Chairperson and Board Member re-appointments.

Wendy first swore in Mark Devoe as the Chairperson for 2014. Mark then swore in Zane Gray as the Vice Chairperson, along with the re-appointed Board Members, Wendy Eliason and Blair Larsen. Mary Jewett will still need to be sworn in at a later date.

Item # 3. Discussion/Decision: Resolution 140206-1 for the \$5,271.00 Impact Fee

The discussion for this Resolution was covered during the Public Hearing time period. Tina made the motion to approve Resolution 140206-1 for the \$5,271.00 Impact Fee and waive the requirement to charge the current \$5,700.00 Impact Fee for any development that comes in between now and the ninety day waiting period. Seconded by Zane. Motion Passed, unanimous.

Item # 4. Discussion / Decision: Whisper Ridge Phase II Will Serve Request for 51 lots

Whisper Ridge Phase II has requested a Will Serve for 51 lots. There are concerns regarding the installment of a land drain system and stubs as well as trench plugs to prevent the free flow of water around the main line in such steep terrain. Both items were made conditions in the written Will Serve letter.

The acceptance of these lots will put the Monte Verde 36 ERUs over the calculated maximum pumping capacity, requiring the District to upgrade the existing pump. The quote for the upgraded pump and labor comes out to about \$6,000.00. Robert had discussed this with our attorney, Jon Call, to see if we can use Impact Fees to pay for this expense. Jon recommended that the District instead use 'replacement' funds because the existing pump is about five or six years into a standard seven year lifespan, and the calculations between old/new/and replacement costs would allocate only a very minimal amount attributable to 'new growth'.

Several Board Members disagreed with using District funds to pay for the change because they strongly believe this upgrade is attributed to new growth, which should pay its own way. There was vibrant discussion around either not approving the Will Serve request and waiting until the pump failed, or requiring Whisper Ridge to pay for the upgrade. Robert explained that it is impractical to wait for a failure, which might happen in the middle of winter, plus there is a strong probability that construction on the new phase will start by end of summer and then force the upgrade during the winter. Tina stated that we could not make payment of these costs a requirement of the Will Serve as that would be considered an exaction, which is illegal. In the end, the Board reluctantly agreed to approve the Will Serve request. Blair made a motion to approve the Will Serve request for 51 lots in Whisper Ridge Phase II. Wendy seconded the motion. Motion passed.

Item # 5. Discussion / Decision: Lift pump upgrade at the Monte Verde lift station.

Brad Gwuinnup with W-Cubed has provided a quote for both the equipment and labor to upgrade the pump at the Monte Verde lift station for \$5,687.00 plus tax. Most of the discussion regarding the upgrade had taken place under item #4 for the Whisper Ridge Will serve. Tina made the motion to approve the upgrade to be done this summer at the quoted price. Wendy seconded the motion. Motion approved by a 3 to 2 vote, with Mark, Wendy & Tina voting yea.

Item # 6. Discussion / Decision: Resolution 140206-2 for the approval of the Municipal Wastewater Planning Program Report of 2013.

The department of Water Quality sent out the annual MWPP for 2013 which requires Board review and approval via a Resolution. The Board took time to review the copies of the report. There were a few questions on a couple of the items in the report, but everything looked in order. Paul Krauth, with the Department of Water Quality, said that he reinstated this report on an annual basis to help evaluate wastewater treatment facilities for priority with financial aid. Paul stated that the organizations that responded on a timely basis with this report, would be given priority when the time came for financial assistance. Zane made a motion to approve Resolution 140206-2 for the 2013 Municipal Wastewater Planning Program. Blair provided the second. Motion approved.

Item # 7. Discussion / Decision: Purchase approval for GIS mapping equipment and software.

MGSID procurement guidelines require Board approval for a non-emergency expenditure over \$500. Robert strongly believes that the District should make an investment in GIS mapping technology before the new developments are installed. We currently have over 500 manholes and over 65 miles of sewer line that require maintenance, cleaning and inspections every summer. As the system ages there will be more 'hot-spots' and areas of concern to track and maintain, and the new developments will take those numbers to over 600 manholes and over 85 miles worth of

lines. In addition, the District will have to create its own maps of all the new streets, parcels, addresses, manhole locations and lines.

With GIS equipment and software, we can work with the Morgan County GIS specialist to combine our efforts. The county specialist will be adding all of the new streets, parcels and addresses to their existing geodata, which MGSID can then use to create a layer of sewer lines, manholes and cleanouts. The District will benefit from the extremely accurate base maps the county has created, and the county will benefit from the District providing an integrated map of our infrastructure. Once completed, the map can be used to define annual cleaning and video schedules for Pro-Pipe, repair and maintenance schedules, District outlines, annexations, etc.

Three package levels were presented which represented from brand new equipment with warranties, to slightly used and older used equipment in combinations that ranged from \$14,375 down to \$6,995.

Blair voiced his sentiment by stating that he saw no need for an expenditure like this and that he could not justify the reason for this technology or the effort involved. Tina interjected that she could see the reasoning and added that the emergency response system might require GIS mapping in the near future. In addition, the people who know all of the individually held details of our sewer system might not be around to pass on the information when it is needed. Robert explained to the Board that he has a duty to inspect every manhole in the system every summer, anyway, so the labor is already there. The GIS system, once operational, will make the inspections, cleaning and maintenance more manageable, and the information will be transferrable to anyone and everyone involved thereafter. Mark commented that he believes the District should provide the Manager with the tools he needs to do his job.

Wendy made a motion to approve the purchase of the GIS mapping equipment and software for the 'New' package listed at \$14,375.00. Zane seconded the motion. Motion passed, unanimously.

Item # 8. Discussion: Meeting for the bank interceptor line.

On January 30, 2014 there was a meeting at the District office between, Rulon and Skyler Gardner, Duane Johnson, Jon Call (District Attorney), Dennis Baldwin and Robert Volk to move the Trunk Line installation forward. The District is already over technical capacity on the 10" line in Old Highway, so we need to complete this installation this summer. The meeting was productive and all parties came away with a target start date of July 1, 2014 with a target completion date of September 30, 2014.

Tina and Blair expressed concern to ensure that there is a section of line that goes all the way to the Baxter property to the east. Robert stated that he has not noticed that section of line on any of the plans that are being used. Tina and Blair then stated that the section in question had been discussed many times in the past and they want to make sure it is addressed so that future development to the east and the Baxter

property do not become landlocked and hostage to future negotiations with Mr. Johnson. Robert said he would check on the background information for this line and report to the Board at the next meeting.

Item # 9. Discussion: District Operations

In January the low pressure grinder pump at 5843 Spruce Circle failed and had to be replaced at District cost. The small additive pump at the Monte Verde lift station failed and had to be replaced. We are still in the process of diagnosing and repairing blower #3 – current estimates for the electric motor repair are \$800 with the blower removal and repair at \$7,500.

Item # 10. Discussion: District Statistics as of February 4, 2013

Item # 11. Discussion / Decision: Review and approval of December 5, 2013 Minutes

Tina made the motion to approve the December 5, 2013 minutes as written. Blair provided the second. Motion passed.

Our next meeting is scheduled for the first Thursday, March 6, 2014 at 7:00 P.M.

Meeting adjourned: 10:15 P.M.

Signed: _____