

MOUNTAIN GREEN SEWER IMPROVEMENT DISTRICT

5455 West Old Highway Road, Mountain Green, Utah

Minutes of the Board of Trustees Meeting

Thursday, July 17, 2014

Board Members Present: Mark Devoe, Zane Gray, Wendy Eliason, Tina Kelley & Shane Rice **Excused:** Blair Larsen & Lynn Peterson **Employees Present:** Robert Volk, Dennis Baldwin & Annette Doyle **Guests Present:** Cody Cardon with Wood, Richards & Associates

Invocation: Zane Gray

Chair: Mark Devoe welcomed those present and conducted the meeting.

Item # 1: Discussion: 2013 Annual Audit Report.

Cody Cardon, with Wood Richards and Associates, presented the 2013 annual audit report to the Board. Cody guided the Board through the different sections of the report and covered the main topics, then allowed the Board Members to ask questions. One of the main concerns was the growing loss after depreciation is accounted for. This loss has been growing for the past few years, especially with the increase in the District's assets with the acceptance of the new developments. Cody stated that this could be done in a few different ways, but would probably be best addressed through rate increases. Robert let the Board know that he is in the middle of a rate review and will be presenting rate recommendations sometime in the next few months. Cody let the Board know that there is a fairly new requirement for the Board to review all of the District financials on a quarterly basis, but he noted that we are now in compliance with this by including the financial summary in the agenda for the monthly meetings. There is also a requirement for, Janet, the District Record's Officer, to complete an annual training class.

Cody closed by letting the Board know that the District is in good financial standing as we are bringing in more revenue than anticipated and keeping spending well below what was budgeted. The increase in assets and account balances with no debts puts MGSID in a very strong position

Item # 2: Discussion: The new exchange/reimbursement agreement has been signed and first ERU certificates have been issued. Construction of the Trunk Line is on schedule.

As of 4:00 PM today, the day of this Board Meeting, the state had requested additional information and photographs of the stream crossing in order to process the permit. On receipt of the request, Robert contacted all parties involved and will ensure that all of the additional information is provided. Robert does not anticipate any problems and/or delays due to this last minute request from the state.

There is a separate problem regarding the accuracy of the easement designations. Skyler Gardner had commissioned a new survey to confirm the easement and found

that there is a discrepancy between the written location designations in the easement and the actual locations by landmark. The original easement had intended for the MGSID easement and trunk line to run ten foot to the south of and parallel to the existing power line structures, however, if the written designations are followed, the MGSID line will cross under the power line structures somewhere in the middle of the Johnson property. A joint meeting was held on location with Skyler Gardner, Robert Volk, Duane and Wayne Johnson and E. K. Bailey (the excavator) to discuss the problem. Everyone at the meeting agreed to continue with the installation based on the 'intent' and run it ten foot south and parallel to the power line structures that are in place, and make any necessary 'written' corrections to the recorded easement after the installation is complete. In the meantime, Robert is commissioning a separate survey team to double check the easement for the District. The cost for this new survey is unknown, but Robert deems that it is necessary to protect all parties and he will do his best to keep the costs as low as possible.

Item # 3: Discussion: Cottonwoods Phase 4 sewer infrastructure installation.

On June 30 Morgan County held a pre-construction meeting for Cottonwoods Phase 4 and excavation and installation of the sewer infrastructure began later that day.

Item # 4: Discussion: Rollins Ranch Phase 6 sewer infrastructure installation.

The sewer infrastructure for Rollins Ranch Phase 6 is complete and the developer is in the process of grading the lots and the streets. Robert has reviewed and approved the video.

Item # 5: Discussion: Rollins Ranch 4A sewer infrastructure installation.

The sewer infrastructure for Rollins Ranch 4A is complete. Robert has reviewed and approved the video. The developer still has to cut out the manhole collars and set the new manhole covers. The developer should be coming in to pay the Impact Fees for this development sometime soon.

Item # 6: Discussion / Decision: Update Personnel Policy.

Tina made a motion to approve the updated Personnel Policy 140717 with corrections. Wendy seconded. Motion carries.

Item # 7: Discussion: District Operation ~ June 2014

The Monte Verde lift station now has two 5 hp pumps to help with the increasing capacity to accommodate the Whisper Ridge Phase II expansion. Manhole inspections for the summer are about 25 % expansion. Annual cleaning for one third of the system will be started in August. Twin-D's bid came in 12 % lower than Pro-Pipe and will perform the cleaning this season. Effluent water continues to measure will within state requirements and removed 93 % of BOD and 93 % TSS in June. E-Coli bacteria registered at Non Detectable levels.

Item # 7: Discussion: District Statistics as of July 17, 2014

Board members reviewed the statistics on Impact Fees, ERU status, connections and bank statements.

Item # 8: Discussion / Decision: Review and approval of June 5, 2014 Minutes

Tina made a motion to accept the Minutes from June 5, 2014. Wendy seconded.
Motion passed unanimously.

**Item # 9: Discussion: The next meeting is schedules for the first Thursday,
August 7, 2014 at 7:00 PM**

Tina made a motion to cancel the August 7 meeting and move the meeting to the third
Thursday for the month which is August 21.

Adjourned: 9:10 PM

Wendy made a motion to adjourn.

Signed: _____