

MOUNTAIN GREEN SEWER IMPROVEMENT DISTRICT

5455 West Old Highway Road, Mountain Green, Utah

Minutes of the Board of Trustees Meeting

Thursday, September 4, 2014

Board Members Present: Mark Devoe, Zane Gray and Tina Kelley. **Excused:** Blair Larsen, Wendy Eliason, Lynn Peterson and Shane Rice. **Employees Present:** Robert Volk and Annette Doyle. **Guests Present:** None

Invocation: No invocation

Chair: Mark Devoe welcomed those present and conducted this meeting. We did not have enough Board Members present to have a quorum. The board members present went over the items in the agenda that were discussion only.

Item # 1: Discussion: 2014 ~ 2015 Budget Status

Robert discussed the projected final budget numbers for 2014 and the preliminary budget numbers for 2015. The Public Hearing for the 2015 Budget will be on Dec.4

	Budgeted 2014	Projected Final 2014	YTD	
			8/29/2014 2014	Preliminary Budget 2015
OPERATING INCOME	\$ 367,272	\$ 368,000	\$ 219,186	\$ 374,750 **
OPERATING EXPENSE	\$ 331,414	\$ 310,500	\$ 157,632	\$ 330,000***
INCOME BEFORE DEPRECIATION	\$ 35,858	\$ 57,500	\$ 61,554	\$ 44,750
DEPRECIATION	\$ 113,000	\$ 157,400*	\$ 91,810	\$ 157,000
NET INCOME	(\$77,142)	(\$99,900)	(\$30,256)	(\$112,250)

Item # 2: Discussion: Preliminary Rate Increase Proposal

Board members will be reviewing the goal of defining a new monthly sewer rate at the October and November Board Meetings. The purpose of the rate increase is to create a balanced budget with the depreciation expense included, and to begin putting money aside for the existing resident's portion of the proposed Membrane Bio Reactor sewer processing plant. The Membrane Bio Reactor has a total cost of over \$10 million dollars with the existing residents being responsible for about \$1.9 million of the expense. Robert presented a brief powerpoint slide show (attached) to illustrate his initial research and rate recommendations.

To balance the 2015 budget we would need a monthly rate of about \$38 and the membrane bio reactor will require an extra amount of about \$12 per month which equates to a \$50 per month sewer bill. This represents a \$22 per month increase, or about a 79% increase. That much of a jump would probably be too much for the residents to assume, so the suggestion was made to do an immediate increase for 2015 to about \$36 per month and then pre-approve automatic \$2 per year increases for the next four years. This would put the rate in 2019 at \$44. This would allow the budget to

start balancing by 2016 and putting away some money for the new mechanical plant by 2017.

A couple of the Board members voiced their concern for ensuring that the public is sufficiently notified about the public hearing for the rate increase. Robert recommended sending out the November billing in an envelope with a letter enclosed, along with the other public notice requirements. Mark suggested updating the MGSID website to inform the residents of the district.

Item # 3: Discussion: Grandfathered Rates, Discounts and Billing Suspensions

Board members discussed whether discounts should or should not be offered. The opinions were split among the three attending board members and no decisions could be made. This discussion will be refined as decision items are presented again at the October meeting.

Item # 4: Discussion / Decision: Additional testing starting January 1, 2015

No quorum available to make a decision, item not discussed.

Item # 5: Discussion / Decision: Muffin Monster, Comminutor (grinder), at the head works is breaking down.

No quorum available to make a decision, item not discussed.

Item # 6: Discussion: District Operations ~ August 2014

Twin D is in the process of cleaning the east end of Mountain Green and should be finished by mid-September.

All three lagoons were professionally 'sludge judged' in August and we just received the final report. The lagoons have been performing exceptionally well for the past 24 years and there is no reason to consider dredging over the next few years.

Effluent water continues to measure well within state requirements and removed over 95% of BOD and 97% of TSS in August. E-Coli bacteria registered at ND levels.

Item # 7: Discussion: District Statistics as of August 29, 2014

Board members reviewed the statistics on Impact Fees, ERU status, connections and bank statements. On September 2, Seth Vining with Henry Walker Homes came in to get the plat signed for Rollins Ranch 4A and gave us a check for \$94,878 which represents the impact fees of \$5,271 per lot for 18 lots.

Item # 8: Discussion / Decision: Review and approval of August 21, 2014

Minutes. No quorum available to make a decision, item not discussed.

Item # 9: Discussion / Decision: The next meeting is scheduled for the first Thursday, October 2, 2014 at 7:00 P.M.

Adjourned: 8:15 P.M.

Signed: _____