

MOUNTAIN GREEN SEWER IMPROVEMENT DISTRICT
5455 West Old Highway Road, Mountain Green, Utah
Minutes of the Board of Trustees Meeting
November 4, 2015, 7:00 P.M.

Board Members Present: Mark Devoe, Tina Kelley, Shane Rice, Lynn Peterson, Wendy Eliason and Zane Gray. **Excused:** Blair Larsen **Employees Present:** Robert Volk and Janet Boudrero
Others Present: Bill Aller and Lannie Jolley

Invocation: Wendy Eliason

Chair: Mark Devoe welcomed those present and presided over this meeting and stated that Blair will not be present at this meeting as he is on the road.

Item # 1. Discussion: Annual Christmas Dinner

Mark informed the board that we have the annual Christmas dinner scheduled for December 8th at 6:00 p.m. at Maddox Restaurant in Brigham City and questioned how that works for everyone.

Item # 2. Discussion: Trunk line road is complete

The board members were relieved to learn that the trunk line is now complete and both Duane and Wayne Johnson have signed off on everything. They were reminded that except for a final payment to Gardner Development in November 2016, this is the conclusion to the trunk line project that began as discussion in 2005.

Lynn Peterson inquired how many loads were required to complete this project and Robert replied that it was approximately 378 tons of topsoil that was purchased from Gardner Development at \$12.00 per ton.

Item # 3. Discussion: Trunk line road Access Lease with Duane Johnson

Board members discussed the signed lease agreement of \$500 per year which allows the District to access and service all sections of the trunk line via the two roads on the Johnson property. This agreement was formed as an inexpensive alternative to installing bridges across the two creeks. Our first payment was sent out per the agreement and reminder notices were put into the District calendar for the next few years. The District only has to pay this lease until development on the Johnson property creates a viable access to service the trunk line.

Item # 4. Discussion/Decision: Application for financial assistance

Board members discussed this item at some length as there were very strong feelings regarding several things in relation to them obtaining assistance. This item pertains to a young couple, who purchased their home on Old Highway Road and who originally were not aware that their property was within the sewer district and would be required to make monthly service

payments. When they became aware of this they did make two payments in September of 2014 but because of many reasons their account soon fell into arrears. After a few conversations with them they indicated they did want to get caught up with their account and were then offered an application for financial assistance discount. They filled this out and returned it to the office. Robert emphasized that they have been struggling financially and the husband was unemployed for a long period of time. That and the addition of a new baby have been very problematic for this couple.

Robert verified that the board had once before addressed this very property in a prior board meeting, as there was a question as to whether the property was in fact connected to the sewer. He and Dennis followed up with a dye test and determined that it was not connected.

Tina remarked that she had tried to contact Ron for the history on the two listed properties but was unable to reach him. She also said that the District's policy has been to collect those charges for those that are not connected but are within the District boundaries and when their septic systems fail then they would be required to make connection to the sewer. She then stated that if a decision needs to be made this evening, she would prefer to side with the District's policy but would prefer to table this item and obtain more information from Ron as to why certain exemptions were made to whom and the reasons why as there is specific history with each property discussed and why they were exempted.

She later added she is willing to make a compromise by zeroing out their account at the point that they became aware of the situation and resulted in the two payments being made in September of 2014 and in addition deleting all interest charges after that point. She also said that it is a benefit for a resident to be within the District as it increases their property value and suggested moving forward instead of focusing on the past.

Lynn stated that he is opposed to charging this residence at all and gave examples of others within the district that were exempted for less reason but in this case, feels this is not right as they are currently having no impact upon the District and he thinks strongly that it is unfair and is a double standard.

Board members discussed the many different options available. Robert said that as a board they have the option to forgive or override the debt as the owners did not understand the district policy. Tina remarked that we must state the reason for any such decision.

Mark commented that he does have some angst with enforcing this on a homeowner who is struggling financially. He noted this couple's interest in obtaining financial assistance and taking the time to address it by returning the application to our office. He also stated he does not want the District to be the one to push them over the edge.

After more discussion Zane then made a motion that we accept this application for financial assistance and put the arrears issue on the agenda for our next meeting and cutting the billing in half for the near future and have Robert present them with an offer of zeroing out the balance at the point in time that they knew (\$444.) and deleting the interest charges and

moving forward by charging them the reduced monthly and giving them the option to make payments as long as our policy is still in place to see if they will pay in good faith. Tina seconded the motion. Tina, Zane, Wendy and Shane voted in the affirmative. Lynn abstained. Motion carried.

After more discussion Tina then made a second motion that we pursue the Ordinance which is in place by changing it after we have learned the history of how it came to be in place and why we are charging and then possibly changing the ordinance to pursue not charging those owners within the boundaries if there is not legal justification. After more board discussion Tina withdrew her motion.

Lynn then made a motion that we put this item of dealing with the arrears on a future agenda as to how we bill those owners who are not connected to and therefore have no impact on our system. In addition he would like to address the Application for Financial Assistance which should be modified. Wendy seconded the motion. All voted in the affirmative. Motion carried.

Item # 5. Discussion/Decision: HR Services Wage Survey for the Secretary & Operator Positions

Board members met on October 28, 2015 to review the wage data from HR Services, Inc., but there was no decision made. HR Services was asked to provide additional data to the Board for consideration. The Board should review the new data for the Secretary and the Operator positions and determine a wage range based on these findings so HR Services can put together a plan that will become effective January 1, 2016.

Tina stated that historically we have been giving a 5% increase each year. She then said that the analyst will likely implement a ten step range of pay based on work and including years of service.

Lynn questioned how much is currently being paid. Robert stated that those positions get paid \$23.10 of which both are part time positions.

Zane then made a few comments based on the letter from Blair that this is a complex situation which requires at least three or four months of study and for the time being we could offer a five percent increase.

Mark remarked that we have the immediacy of the 2016 Budget that needs to be addressed and does not want to mix the two different items that are on the table this evening and going forward could offer the five percent this year and look at a better program for next year.

After further discussion by the board Zane made a motion that for the operators and secretary positions that we move forward with a 5% increase starting January 1, 2016 for the Budget and discuss further in the months to come to provide the figures to HR Services to work with. Shane seconded the motion.

Discussion followed with Lynn recommending that whenever we get that step and range figured out for next year, it should also apply to the manager as well. On a side note, Lannie Jolley who was present made a comment that the part-time employees are well worth their loyalty. All voted in the affirmative. Motion passed.

Item # 6. Discussion/Decision: HR Services Salary & Benefit Survey for the Manager

Board members met on October 28, 2015 to review the wage data from HR Services, Inc. but there was no decision made. HR Services was asked to then provide additional data to the Board for consideration.

Board members next discussed this item at great length. Tina said she feels we did not get satisfactory figures from HR Services for these positions that were based on a comparable smaller district. She then said she is comfortable with a pay raise but she is not comfortable with doubling the salary. She would have a hard time trying to justify this to the taxpayers. She also said that this money comes from the taxpayers and they are interested in what is fair. She said our small district does not have the same money that Ogden City or Central Davis does but she knows what she is comfortable approving and it is not what Mark has proposed.

Mark had previously thrown out the figure of ninety thousand annually for the total package to go up or down from and wants to compensate with a fair market value for Robert. Shane commented that he is in agreement for a raise and does not have anything formulated at this time but it needs to be reasonable and fair and equitable for the position as it is a full time position. If we don't put the correct figure, we risk a high turnover.

Zane commented that he is pleased with what Robert has brought to the District and that he believes Robert is over qualified and that nothing is more valuable than his candor and frankness when he deals with the developers and vendors, but Zane feels that a 5% rate increase is a good enough incentive and represents an adequate course going forward.

Lynn stated he is in agreement with Shane and feels a larger adjustment should be made and will approve something between where Robert is now at about sixty three with the high around ninety for the total package and still allow for step increases. He added that we know that sixty three thousand is low. Wendy remarked she likes the idea of the step program and thinks it makes sense. She feels Robert has done an excellent job managing the District. After more discussion Lynn made a proposal that we start the manager position somewhere around eighty to ninety total package. Tina wanted a counter proposal of only a 10% increase over current.

Lynn then made a motion that we offer eighty thousand annually for the complete package, which equals out to \$32.40 per hour plus the retirement and healthcare benefits, and noted that this position should be step nine out of ten in the step program. Shane seconded the motion.

Lynn, Wendy, Shane and Mark voted in the affirmative. Tina and Zane voted nay. Motion carried.

Item # 7. Discussion/ Decision: Preliminary 2016 Budget

Robert presented the Preliminary 2016 Budget to the board members. He explained this is a balanced budget with a projected 14% increase in revenue and only a 4% increase in expenses with additional revenue going into the Replacement and Existing Resident's New Facility accounts.

After more discussion Shane made a motion that we accept the 2016 Preliminary Budget as presented. Lynn seconded the motion. Wendy, Zane, Shane and Lynn voted in the affirmative. Tina abstained. Motion carried.

Item # 8. Discussion: District Operations – October 2015

Robert indicated that the transparency report for the third quarter 2015 was completed and uploaded to the State Auditor's website.

He also reported that the variable frequency drive on blower # 3 was replaced as the board had approved at the October 7, 2015 meeting. In addition the lift pump #2 at the main headworks had been setting off some alarms and was failing to start. Brad Gwinnup from W-Cubed was contacted to help isolate the problem and replaced a burned out sensor.

Item # 9. Discussion: District Statistics as of October 31, 2015.

ERU Status and the financial numbers were available for review. Robert also included a recent report of the Income & Expense Statement ending October 31, 2015.

Items # 10: Discussion/Decision: Review and approval of the Oct 7, 2015 and the October 28, 2015 Minutes.

Minutes of our board meeting from October 7, 2015 and October 28, 2015 were available for review, but because of the lateness of the hour time did not allow for this item to be discussed and decided on.

Item # 11. Discussion: The Public Hearing for the 2016 Budget Approval is scheduled for the first Wednesday, December 2, 2015 at 6:00 P.M. to be followed by the regularly scheduled Board Meeting at 7:00 P.M.

Motion to Adjourn: 10: 25 P.M.

Signed _____