

**MOUNTAIN GREEN SEWER IMPROVEMENT DISTRICT**  
5455 West Old Highway Road, Mountain Green, Utah  
**Minutes for Wednesday, December 7, 2016**  
**2017 BUDGET HEARING**  
**6:00 P.M.**

**Board Members Present:** Zane Gray, Blair Larsen, Lannie Jolley, Lynn Peterson, and Gary Ross **Excused:** Wendy Eliason and Shane Rice. **Employee's Present:** Robert Volk and Amy Bone **Guests Present:** Tina Kelley

**Chair:** Zane Gray

**Invocation:** Lannie Jolley

Board Chairman Zane Gray welcomed those present then proceeded to review the rules for the Budget Hearing. After which, he officially opened the 2017 Budget Hearing for Discussion.

Robert reviewed the items included in the 2017 Proposed Budget with board members and guest between the hours of 6:00 to 7:00 P.M. He reminded those present that no formal action can be taken until the hour is complete. There were a few questions on some of the line items followed by discussion.

7:00 P.M. Zane Gray officially closed the 2017 Budget Hearing.

**MOUNTAIN GREEN SEWER IMPROVEMENT DISTRICT**  
**Minutes for Wednesday, December 7, 2016**  
**Board Meeting**

**Item # 1. Discussion/Decision: Public Hearing to Review and Approve the 2017 Budget**

After Board review and discussion of the 2017 Proposed Budget they were then asked to make their decision to approve the detailed budget, the summary budget and the budget resolution. Robert informed them that the budget summary and budget resolution will be sent to the State Auditor's office within 30 days of approval. It is noted that because the district operates as an Enterprise that the board can amend the budget as necessary at any scheduled board meeting at a later date, without a public meeting. The 2017 revenue budget is based on the, January 1, 2017 rate increase of \$40.00 per month. This rate increase was approved at the budget hearing in December 2014.

Robert further explained that he was able to keep the 2017 budget expenses equal to the 2016 Budget expenses by making cuts in some areas and increases where necessary. He added that we do have some big projects coming up in 2017 such as sealing the asphalt, and replacing some diffusers and clamps for at least three different

lines in cell number one of the lagoons. He then proceeded to explain the difference between our line item budget verses the budget summary that is submitted to the state. Zane stated that he sees no need to amend the 2017 budget as presented.

Lannie remarked that he would like to see what the diffusers look like so Robert drew a diagram of how they work and what would be necessary for the replacements.

In 2014 the board approved a \$2.00 a year increase every year for 5 years and we are scheduled to move to the \$40.00 monthly rate in January 2017. Robert recommended that the Board continue with the approved rate increase for 2017 and then do a yearly review so we can look at the needs and adjust rates accordingly.

After further discussion by the board and as there were no objections to the 2017 Proposed Budget and resolution 161207, Lannie made a motion to approve the 2017 Budget as presented. Gary seconded the motion. Motion passed. All voted in the affirmative.

Robert then reviewed the Budget Resolution which will be sent to the State. Gary made a motion to approve this Resolution #161207. Lynn seconded the motion. Motion passed.

## **Item # 2. Discussion/Decision: Resolution 161207B Adopt the Disaster Mitigation Plan**

Robert informed board members that Morgan County has requested that the MGSID review and adopt by resolution the Natural Hazard Pre-Disaster Mitigation Plan that was sent to board members by email on November 3, 2016.

He then reviewed the Plan and said we have all information in a binder and noted where it is located. Lannie inquired about our security and Robert explained the gates which are locked daily and only our operators have keys. Lynn inquired if we have our own plan and Robert replied that yes we do and it includes the chemicals which are kept out back.

After board discussion on this item Blair made a motion to approve the Resolution 161207B Disaster Mitigation Plan. Gary seconded the motion. Motion passed. All voted in the affirmative.

## **Item # 3. Discussion: Christmas Dinner**

Board Members were reminded of the District's Christmas Dinner which will be on December 13, 2016 at Maddox Restaurant at 6:00 P.M.

#### **Item # 4. Discussion/Decision: Transfer money from Main Checking to Replacement**

Robert made the recommendation that the Board transfer \$60,000 from the Main Checking Account into the PTIF 4668 Replacement (Depreciation) Account. This would bring the PTIF Account balance to around \$442,000. He stated that we have previously transferred \$60,000 from our checking account into this same account totaling \$120,000 from our depreciation funds into this account during 2016.

He reminded the Board that the District transferred \$60,000 from the main checking account into the PTIF 248 account for the Existing Resident's Funds for the Proposed New Sewer Facility. Lannie verified that this was all previously done.

Gary then made a motion to approve transferring \$60,000 from our main checking to the PTIF 4668 account. Blair seconded the motion. Motion passed. All voted in the affirmative.

#### **Item # 5. Discussion/Decision: Moreton Insurance-Employee Theft Bond**

Clifton Buckway with Moreton Insurance previously reviewed the Employee Theft and Dishonest Policy in our October board meeting. This policy had not been updated in over a decade and the coverage limit is low.

The current policy limit is \$10,000 with a \$500 deductible for an annual premium of \$250 and it is effective from 05/01/2016 to 05/01/2017. Robert said this policy covers the District for theft by an employee or Board Member for up to the listed limit.

Moreton has provided the District with quotes to upgrade the coverage limits on the existing Employee Dishonest Policy (excluded Treasurer or person(s) performing Treasurer's duties) from \$10,000 to \$40,000 and would raise the annual premium for \$250 to \$298 at the May renewal.

Lannie stated that he does not see any reason to not change this immediately. Lynn remarked that we should get rid of the deductible. Gary stated that he felt good about what Mr. Buckway had presented.

After more discussion by board members Gary made a motion to approve increasing our policy to \$40,000 and make it effective immediately. Lannie seconded the motion. Motion passed. All voted in the affirmative.

#### **Item # 6. Discussion/Decision: Treasurers' Bond**

Robert reviewed the District's existing Employee Theft and Dishonest policy which specifically excludes anyone from performing the duties of a Treasurer which would include the Manager, Secretary and Administrative Assistant.

Robert reviewed the specifics as set by the Utah Money Management Council such as securing a Fidelity Bond to the limits set according to the entities annual budget of the previous year.

Moreton has provided quotes for each of the three employees that perform treasurer's functions, noting that each employee must carry a separate bond.

After brief discussion Gary made a motion to approve the Fidelity Bond for \$40,000. With the premiums to be \$140 per employee ( 3x \$140. Totaling \$420 per year) . Lynn seconded the motion. Motion passed. All voted in the affirmative.

**Item #7. Discussion: Final Payment on the trunk line**

The District made the final payment of \$239,416.75 to Gardner Development. The District has now paid in full the \$919,375.75 obligation for the trunk line obligation.

To make this payment, on November 7, 2016, \$86,838.38 was transferred, from the 1<sup>st</sup> bank account #5271 and \$124,782.86 was transferred from the PTIF # 4598 Excess Expansion account into the 1st Bank # 3456 account.

Approximately \$200.00 was left in each of the two accounts to keep them open. The Gardner's still have 12 ERU's to be used as impact fees for the Meadow Ridge and Rollins Ranch phase 5 developments.

**Item #8. Discussion/Decision: Approve purchase of diffusers and clamps**

Robert has requested that the Board approve \$7,000 for the purchase of 144 diffusers and 288 clamps before the end of 2016. These Materials are to be used for the partial diffuser system repairs that will be done in the spring of 2017.

Lynn asked for an explanation on the diffusers. Robert explained to the board exactly what they are used for and added that these are the materials that will be used for the diffuser changes that were discussed in the 2017 budget presentation. After more discussion Lynn made a motion to approve the \$7000 purchase of diffusers and clamps as stated. Gary seconded the motion. Motion passed. All voted in the affirmative.

**Item # 9. Discussion/Decision: Chairperson for 2017**

At the end of each year the Board makes the decision on who will serve as the Chairperson for the MGSID for the following year effective January 1, 2017. After board discussion Gary made a motion for Zane to remain as the MGSID Chairperson for 2017. Blair seconded the motion. Motion Passed. All voted in the affirmative.

#### **Item # 10. Discussion/Decision: Vice Chairperson for 2017**

At the end of each year the Board also makes a decision on who will serve as the Vice Chairperson for the following year, effective January 1, 2017. Blair made a motion that Lannie remain the Vice Chairperson for 2017. Gary seconded the motion. Motion passed. All voted in the affirmative.

#### **Item # 11. Discussion: Board Member Required Training**

Shane is the only board member that has not completed the required training. He sent an email to Zane asking if there is such a thing as taking a leave of absence from the board. It was discussed that there is no policy that exists for a leave of absence from a Board position. Due to the excessive absences from the meetings, the best thing for Shane would be to resign his position for now and rejoin the Board at a later time when his circumstances change. The only other option for the Board would be to seek impeachment, which no one would want to do. Someone mentioned that Shane might be working very long days so Zane and Lannie said they would make an effort to talk with him and see what would be best for everyone.

#### **Item # 12. Discussion: District Operations ~ November 2016**

Board members were updated on the District Operations for November 2016. Zane inquired if we still test for phosphates. Robert indicated yes and explained that we test for many things including Nitrites, Nitrates, Total Kjeldhal Nitrogen, E-Coli, TSS, BOD, Do, etc.

Lynn asked about the proposed twenty two homes to go in above Whisper Ridge. Robert let him know that that development is still in preliminary planning at the County and the District has not issued Will Serves at this time.

Board members discussed the new plant and the Final options study, which is needed at 70%, then at 80% we would need to be at our Final Design and then at 90% we would need to be in the construction and building stage which is estimated to be 2022.

#### **Item # 13. Discussion: District Statistics as of November 30, 2016**

Zane asked Robert to go over the bank statements and income and expense statement. Board members reviewed the District Statistics as of November 30, 2016.

#### **Item # 14. Discussion/Decision: Review and Approval of the November 2, 2016 Minutes**

After board review of the minutes from November 2, 2016 Gary made a motion to approve the minutes from November 2, 2016. Robert pointed out a correction that Gary was present at this meeting. Lynn seconded the motion. Motion passed. All voted in the affirmative.

**Item # 15. Discussion: The Next Board Meeting is scheduled for Wednesday, January 4, 2017 at 7:00 PM**

**Item # 16. Motion to Adjourn.** Gary motioned for the meeting to be adjourned. Blair seconded the motion.

**Adjourn: 8:05 P.M.**

**Signed:** \_\_\_\_\_