

**MOUNTAIN GREEN SEWER IMPROVEMENT DISTRICT**  
5455 West Old Highway Road, Mountain Green, Utah 84050  
**Minutes of the monthly Board of Trustees Meeting**  
Wednesday, January 20, 2016

**Board Members Present:** Mark Devoe, Wendy Eliason, Lynn Peterson and Zane Gray. **Excused:** Shane Rice and Blair Larsen **Guests Present:** Lannie Jolley, Mike Johanson and Rulon Gardner

**Employees Present:** Robert Volk and Janet Boudrero

**Invocation: Zane Gray**

**Chair:** Mark Devoe welcomed those in attendance and opened the meeting for the Mountain Green Sewer Improvement District.

**Item # 1. Discussion/Decision: New Chair for 2016**

Mark Devoe has decided to step down from the position as Chair after this meeting and allow the next person to take the reins. Zane Gray, who has been our Vice Chair, has agreed to move into the Chairperson position starting with the meeting in January 2016. The Board Members present all agreed that Zane will make a good Chairman and enthusiastically supported his appointment to this position.

Lynn Peterson made a motion to appoint Zane Gray as the Chair for the MGSID Board effective January 2016. Wendy Eliason seconded the motion. Mark Devoe moved to table the motion until Item #4 could be completed and Lannie Jolley was appointed so he could vote. Item tabled.

**Item # 4. Discussion/Decision: Vacant Board Position**

Mark Devoe has decided to resign his position on the Board, and we offer our sincere thanks to both for the years of commitment and service he has provided.

Lannie Jolley registered with Morgan County in 2015 as a candidate for the MGSID Board and is first in line to be appointed for the Mark's place in the newly vacated position. As Mark's last four year term ended December 31, 2015, Lannie will be appointed to a new four year term starting January 2016.

Zane made a motion to appoint Lannie Jolley to the vacant Board position for a full four year term. Wendy seconded the motion. Item passed with a unanimous vote.

**Item # 6. Discussion: Swearing in of new Board Members**

Now that he had been appointed as a new Board Member, Lannie Jolley was sworn in.

### **Item # 1. Discussion/Decision: New Chair for 2016**

Mark Devoe recalled Item #1 for voting. Lynn Peterson had made a motion to appoint Zane Gray as the Chair for the MGSID Board effective January 2016. Wendy Eliason had seconded the motion. Mark, Lynn, Wendy and Lannie all voted in the affirmative with Zane abstaining from voting for himself. Item passed.

### **Item # 3. Discussion: Swearing in of new Chair**

Zane was sworn in as the newly appointed Chair of the MGSID Board.

### **Item # 2. Discussion/Decision: New Vice Chair for 2016**

A new Vice Chair needs to be selected to stand in for the Chair when he is not able to attend the meetings. The Board Members present highly recommended both Lannie Jolley and Shane Rice for the position of Vice Chair. Lannie has the experience having previously served as Chair for this Board, and Shane is highly regarded and believed to be an excellent choice, as well. Robert reminded the Board that this position will also carry the responsibility of financial oversight which will require a monthly review of the banking and credit card statements, which usually takes an extra hour each month.

Lannie said that he has no problem with the financial oversight responsibility and would be happy to take on the position, again, but recommended that the Board should hold on the decision until Shane could be in attendance and share his thoughts on the matter. All of the other Board Members agreed.

Zane moved to table the item until the next meeting.

### **Item # 5. Discussion/Decision: Vacant Board Position**

Tina Kelley had resigned her position on the Board at the end of December and the Board was ready to appoint one of two candidates who had shown interest into the position. Regrettably, neither of the candidates was able to make it to this meeting.

Zane moved to table the item until the next meeting.

### **Item # 6. Discussion: Swearing in of new Board Members**

Nobody was appointed so this item was skipped.

### **Item # 7. Discussion: Mike Johanson with Cottonwood Mutual Water**

Mike Johanson with Cottonwood Mutual Water was here with Rulon Gardner to present the findings from his research regarding the Rose Hill Development. Mike has been surveying the residents of Rose Hill to see if they are interested in being annexed into the Mountain Green Sewer Improvement District and being connected to the sewer

because their septic systems are having a negative impact on the source protection zone around the water wells.

Mike presented his research (attached) and then he and Rulon tried to convince the Board that the results were positive and that the residents of Rose Hill were interested in being annexed into our District and connecting to the sewer. A couple of Board Members questioned the study in that only 40% (27 out of 69) of the residences contacted even responded to the study, and out of that 40% only about 30% to 40% of those were interested in joining the sewer and connecting. The main concern for everyone focused on the cost of the venture and who would pay for it and how. Both Mike and Rulon seemed to want the Sewer District to take on the effort and expense of getting Rose Hill annexed in and then installing the infrastructure, plus coming up with a way for the residents to finance the venture.

Both the Board Members present and the Manager communicated that it would be up to either the residents of Rose Hill or Cottonwood water to put forth this effort and come up with the expenses, not the District. The District would be happy to assist by providing direction and recommendations, but the position of the District has always been that any new development, which Rose Hill would be, has to pay its own way. The existing residents will not put forth the expenditure of labor or finances for any development to become part of the District and connect to the system.

At the end of the presentation, both Mike and Rulon appeared a little frustrated because they both want the Sewer District to help them get Rose Hill off of septic systems so the water company's wells are protected. Robert let them know that he will gladly provide any guidance for what needs to be done, but unless this Boards approves additional expenditures for labor, engineering, etc. he cannot devote any payroll towards this task. Mike and Rulon thanked everyone for their time and offered to keep us updated.

**Item # 8. Discussion: 2015 End of Year Budget vs. Actual**

The final numbers for 2015 are in. We brought 2%, more revenue than expected and managed the expenses so they came in 18% lower than budgeted.

**2015 END OF YEAR ~ BUDGET VS ACTUAL**

DESCRIPTION	BUDGET	ACTUAL	\$\$ DIFF	%% DIFF
<b>INCOME</b>	<b>\$ 462,900</b>	<b>\$ 473,547</b>	<b>\$ 10,647</b>	<b>102.3%</b>
<i>administration</i>	<i>\$ 175,900</i>	<i>\$ 152,475</i>	<i>\$ (23,425)</i>	<i>86.7%</i>
<i>operations</i>	<i>\$ 154,100</i>	<i>\$ 90,337</i>	<i>\$ (63,763)</i>	<i>58.6%</i>
<i>depreciation</i>	<i>\$ 157,400</i>	<i>\$ 157,400</i>	<i>\$ -</i>	<i>100.0%</i>
<b>EXPENSE</b>	<b>\$ 487,400</b>	<b>\$ 400,212</b>	<b>\$ (87,188)</b>	<b>82.1%</b>

## **Item # 9. Discussion/Decision: HR Services Wage Step Program**

At the November 4, 2015 Meeting, the Board of Trustees approved the Secretary's and Operator's positions to receive \$24.26 per hour and the Manager's position to receive an annual salary based on \$32.00 per hour, all starting January 1, 2016. HR Services has created and submitted the final version of the Wage Step program (Exhibit A attached) based on these pay rates with the current Operators and Secretary placed at the seventh step and the current Manager placed at the ninth step of a ten step program.

All of the Board Members present reviewed the chart with the step program and Robert described the contents to show how HR Services had placed the approved wages for the Manager on the requested steps, along with what the recommended dates would be for each employee to move to the next step. Lynn Peterson stated that he was not happy with the extraordinary length of time it would take for any of the employees to move up based on the dates shown. According to this chart Janet, Dennis and Jim would have to wait until the year 2023 (seven years) before they would ever get another raise, and to Lynn this is unreasonable and unacceptable. A couple of the other Board Members questioned this, as well.

Robert took this opportunity to remind the Board that this Step Program is what the Board had requested and that they had paid \$1,500.00 to HR Services to have it created. He also reminded them that this was started five months ago, back in September, so at some point it has to be approved and put in place, even as the starting outline. The concept of the Step Program is a good format to have in place and the fact that it was put together by a professional Human Resources company provides the validity that the Board was looking for when evaluating how to fairly handle wage issues.

Robert continued by explaining that once this is in place, the Board will always have the ability and authority to make adjustments to time periods and amounts should they feel the need. Wages along with rates will still be brought up for review every year, starting around September or October, so the Board may make the appropriate decisions in December for the following year. Every year the Board will have to review the CPI (Consumer Price Index) and other indices in order to make COLA (Cost of Living Adjustments) on a percentage basis to all of the numbers in the Wage Graduated Step Program. If there is a 1.5% increase in the CPI and the state and county are making 1.5% adjustments to wages, then it would be appropriate for this Board to do the same. And, at the same time, the Board could address any of the promotion time periods that are believed to be unrealistic.

Robert also added, that he will strongly request at least one of the Board Members to work with him in September to research and document all of the current CPI, wage and inflation data so the rest of the Board will trust that the information is accurate and not biased by the Manager. Lannie replied that he thought this would be a good idea.

Lynn made a motion to accept the HR Services Wage Graduated Step Program as presented with a full review and update starting every September. Lannie seconded the motion. Motion passed with a unanimous vote.

**Item # 10. Discussion/Decision: Financial assistance applicants and outstanding balance.**

At the December 2015 Board Meeting the MGSID Ordinance was amended effective January 1, 2016 to remove the policy of “charging the service fees to all residences within the District whether connected or not.” The Board should now consider the outstanding balance of fees charged to the November 4, 2015 Financial Assistance Discount as that residence is on a septic system and has never been connected. Sanitary Sewer Ordinance; Article II – General; Part One – Board of Trustees; Section 1.07 *“The Board is authorized to reduce, adjust, amend, abate or waive any fee that the Board is authorized to collect upon a finding of "unusual circumstances" including a finding of specific facts related to such unusual circumstances.”* Does the Board want to reduce, amend and/or completely waive the outstanding balance of \$496.00 in monthly service fees for the resident at 4428 W. Old Highway Road as it is on a septic system and has never been connected to the District Sewer System?

Lannie said that he has always been a firm believer in only charging people for the service they receive and he believes that the Board made a good decision in changing that policy at the last meeting. Lynn added that these residents had made a good faith effort in trying to comply with the old District policy, so the District should waive the balance of these remaining fees for a service that they never received.

Lannie made a motion to waive the remaining balance of \$496.00 of monthly service fees for this residence. Lynn seconded the motion. Motion passed.

**Item # 11 Discussion: District Operations ~ December 2015**

The 2016 Budget, the 2016 Budget Resolution and the 4<sup>th</sup> quarter 2015 Transparency Report have been uploaded to the Office of the Utah State Auditor. Janet has prepared and submitted the Deposit and Investment Report to the Utah Money Management Council. The fourth quarter developer reimbursements have been sent. Effluent water continues to measure well within state requirements and removed over 92% of BOD and 98% of TSS in December. E-Coli bacteria was non-detectable at less than one organism per 100 milliliters.

**Item # 12 Discussion: District Statistics as of December 31, 2015**

The Board reviewed all of the District statistics and financials and found them in order.

**Item # 13 Discussion/Decision: Review and approval of the December 2, 2015 Minutes.**

Lannie made a motion to accept the December second minutes with the correction of adding his name to the guests attended. Lynn seconded the Motion. Motion passed.

**Item # 14 Discussion:** The next scheduled Board Meeting will be on Wednesday, February 3, 2016 at 7:00 PM

**Motion to Adjourn:** 9:35 P.M. Wendy made a motion to adjourn. Lynn seconded the motion. Motion passed, meeting adjourned.

Signed \_\_\_\_\_

EXHIBIT A

January 20, 2016 MGSID Wage Graduated Step Program

Created by HR Services, Inc.: Debbie Sidoway

Class: Employee Name:	Job Position:	Department:	Hire date:	Employ Type:	Current Pay:	Current Step:	Pay Steps	1	2	3	4	5	6	7	8	9	10
Robert Volk	Sewer District Manager	Administrative / Operations	7/16/2009	Exempt/Salary	\$32.00	9	\$24.52	\$25.45	\$26.39	\$27.32	\$28.26	\$29.19	\$30.13	\$31.06	\$32.00	\$32.93	
Janet Boudtero	Sewer District Secretary	Administrative	5/1/1995	P-T Non-exempt - hourly	\$24.26	7	\$17.01	\$18.26	\$19.46	\$20.66	\$21.85	\$23.05	\$24.26	\$25.44	\$26.64	\$27.84	7/16/2018
Dennis Baldwin	Operator I	Operations	10/21/2004	P-T Non-exempt - hourly	\$24.26	7	\$17.01	\$18.26	\$19.46	\$20.66	\$21.85	\$23.05	\$24.26	\$25.44	\$26.64	\$27.84	10/21/2031
Jim Wikom	Operator I	Operations	7/16/2009	P-T Non-exempt - hourly	\$24.26	7	\$17.01	\$18.26	\$19.46	\$20.66	\$21.85	\$23.05	\$24.26	\$25.44	\$26.64	\$27.84	7/16/2039
Others	Min \$35,500	Mid \$46,700	Max \$57,900														
GM	Min \$51,000	Mid \$59,750	Max \$68,500														
Master payscale interval key:							Pay Steps										
Full-Time	Years 1 to 4 (1 year) intervals, years 5-7 (2 year) intervals, years 8-10 (3 year) intervals.	Example:	2/20/2005	2/20/2006	2/20/2007	2/20/2008	2/20/2010	2/20/2012	2/20/2014	2/20/2017	2/20/2020	2/20/2023					
Part-Time	Years 1 to 4 (2 year) intervals, years 5-7 (4 year) intervals, years 8-10 (6 year) intervals.	Example:	9/29/2003	9/29/2005	9/29/2007	9/29/2009	9/29/2013	9/29/2017	9/29/2021	9/29/2027	9/29/2033	9/29/2037					