

MOUNTAIN GREEN SEWER IMPROVEMENT DISTRICT

5455 West Old Highway Road, Mountain Green, Utah

Minutes for Wednesday, September 7, 2016

Board of Trustees Meeting

7:00 P.M.

Board Members Present: Zane Gray, Wendy Eliason, Blair Larsen and Lannie Jolley

Excused: Shane Rice, Gary Ross and Lynn Peterson. **Employee's Present:** Robert Volk and Janet Boudrero

Guests Present: Brian Gunn, Ron Lawson and Dennis Baldwin

Chair: Board Chairman Zane Gray welcomed everyone present. Zane then introduced Brian Gunn and also noted Ron Lawson our former Board Chairman and community resident along with Dennis Baldwin, an employee of the District and also former manager for the MGSID. Zane proceeded to chair this meeting and stated the board would like to hear public comment from both Mr. Lawson and Mr. Baldwin.

He then asked Mr. Gunn how much time he would need and Brian said at least thirty minutes. Zane then stated that he would set a limit of thirty minutes for Brian's presentation and other agenda items and will also allow thirty minutes for board members for any questions and comments.

Zane then said he would like to get through our agenda this evening and wants to move Item # 2 further down the agenda between Item # Six and Item # Seven, so there is no interruption and wants to give a fair amount of time for those items that require a decision.

Invocation: Zane Gray

Public comment Period: Zane welcomed our guests and asked if anyone had comments relating to Mr. Gunn's proposal.

Blair stated that he would like to make sure that the board is able to hear comments from both Mr. Lawson and Mr. Baldwin at some point in time during the discussions this evening.

Zane then questioned if any board member needed any further explanation about Brian's proposal before turning the time over to Brian.

Ron Lawson shared a brief history regarding the situation with Rose Hill area and said that it was the developer Harry Wilkinson, who petitioned the State to have their property (Wilkinson Family Farms) de-annexed from the MGSID, as they were farmers and had no plans of developing their land.

After further comments and discussion, Ron then asked if a manhole was not required every 500 feet. Blair clarified that it is every 400 feet or when it changes direction or

elevation. Blair then asked if the elevation of the manhole at Silverstone had been checked. Robert explained that Brian would not be making connection from the manhole on Daisy Drive at Silverstone but the one on Lilac which is about nine feet deep so Mr. Gunn would have to have calculations done to see if there would be enough fall for the length of the line he is proposing.

Item # 1. Discussion: Brian Gunn- Rosehill proposed connection to the sewer

Mr. Gunn appealed to the board regarding his and other residents of the Rose Hill Subdivision interest in making connection to the MGSID by installing an 8" line with a manhole on Daisy Drive from the Silverstone Development down to Lilac Lane. Maps were handed out for visual review of the Rose Hill Subdivision.

Brian handed out copies of his eight option proposal for those residents wanting to pay and also for those that cannot pay. He said that the cost estimate for those wanting to make connection would be approximately \$80,000 to \$90,000 for the building costs alone, which when divided by the eighteen homes would be around \$5000 for each of the homes. Brian emphasized that his main focus this evening will be on the eighteen homes.

Brian said he has talked with Rulon Gardner and Mike Johannsen from Cottonwoods Water Company and then stated that Rulon would like to see everyone off of septic systems as the water company currently is experiencing some issues with the poor test results of their well water quality.

Brian then tried to explain each of the eight different payment options he had come up with. Brian also emphasized that the way to implement his theory is through using a spread. He said banks do it all the time and the Sewer District would just be acting as a medium.

After Brian's initial proposal Robert reminded board members that Mike from Cottonwoods Water has been working on a comprehensive plan to bring sewer, secondary water and additional utilities to Rose Hill for the past year, and that Mr. Gunn had been asked to work with the Cottonwoods Water plan. Robert emphasized that after talking with the State regarding this issue the first thing that the Rose Hill residents need to do is to get annexed into the District or to create their own District. He added that the District cannot legally put any infrastructure in the roads, tax or charge these residents until they have been annexed into the District.

Lannie thanked Brian for his comments and stated that because it is a lot of information the board will need more time for further discussion and consideration as they currently are not in any position to make a decision tonight.

Ron Lawson then spoke about how the wheels of government turn very slowly and stated that it took over twelve years to get the District up and running when he was serving as Chairman of the Board over twenty five years ago. He also said there likely could be hidden costs which would have to be dealt with regarding the variety of

situations that would likely occur and the District would have to know all the details before it could be expected to commit to any kind of obligation.

Dennis Baldwin complimented Brian on the work that he had done but made the recommendation that Brian form a team or obtain additional witnesses to assist him in his endeavors.

Zane thanked Brian for his words and said he has some interesting ideas but he and the board members will need more time to review his proposal. Brian ended by saying he plans on attending the next Board meeting in the hopes of having the Board make a decision of some kind.

Item # 3. Discussion: Board Member required training.

The required board member training has been completed by Zane, Wendy, Blair and Gary. Those who have not done so were encouraged to complete theirs ASAP.

Item #4. Discussion/Decision: Two year District Acceptance of Development Sewers for the Trunk Line, Rollins Ranch 6 and Cottonwoods 4

Robert explained to board members that Gardner Development was aware of the District Ordinance for the two year turnover process, but believes that the District was not clear about the financial impact and therefore should share in the cost of the process and because of that, Rulon Gardner is requesting that the District pay half the cost of the cleaning and video requirement for the two year turnover of the Trunk Line installation of Cottonwood 4 and Rollins Ranch 6.

Robert reviewed available past agendas and minutes to determine the history of this section of the Ordinance and found notes which showed that the District had never enforced this rule until the turnover of the Cottonwoods Phase I development and then the District paid for the cleaning and video, not the developer.

Robert then referred board members to a copy of the remarks from our Attorney John Call. Jon gave his recommendation stating that we have several options regarding the trunk line expenses, but he did not believe the District should pay for the video work of any of the lines inside the Rollins Ranch or Cottonwoods subdivisions. The trunk line installation is a bit blurred due to the long time period between the initial planning and the installation as well as the way that the Gardner's acted somewhat like a contractor for the District. However, Rollins Ranch and Cottonwoods were straight forward developments where the developer was clearly responsible for all planning and installation and therefore should adhere to the ordinance.

After more discussion by board members, Blair made the suggestion that in the future the ordinance be changed to a one year instead of a two year acceptance agreement. It was also suggested to require some type of bond performance fee of perhaps ten percent, whereby the developers pays a certain amount upfront to insure things are done correctly.

Robert then remarked that at the first of next year he would like to have our attorney Mr. Call address updating our current ordinance and other related items.

Blair then made a motion that the Board instructs Robert to let the Gardner's know that the District feels it is their responsibility and obligation to pay for the videoing and cleaning of the trunk line of Cottonwood Phase IV and Rollins Ranch 6. For lack of a second, Blair amended his motion to read that the Gardner's pay 100 percent for Rollins Ranch 6 and the District will participate 50 percent on the trunk line of Cottonwood IV. Lannie seconded the motion. Motion passed. All voted in the affirmative.

Item # 5. Discussion/Decision: Final payment for trunk line

Robert reminded the Board that the District has the final payment \$239,416.75 for trunk line is due in November.

Robert explained to the board members that the District should have just enough impact fee money in the combined accounts to make the final payment. At most, we could possibly be short around \$3,400 if we don't receive another \$5,271 Impact Fee by the end of the year. If that happens we can temporarily borrow money from one of the other accounts, like the replacement account, which would then be recorded and replaced as soon as we collect those funds.

Robert reviewed the balances in the \$3,456 account and the \$5,271 account which are collected from the different Impact Fees, Robert also explained the difference. According to our 2014 Capitol Facilities Study technically the trunk line is supposed to be paid with the money from the \$5,271 account however, John Call stated that we can and should use the \$3,456 money which is the oldest and at the end of the six year time limit for holding unused impact fees.

Wendy asked if that payment is due in November and if there is any interest to be included. Robert explained that yes, it is due in November and no, there is no interest being charged. Blair asked if there was anything else we owe the Gardner's after this payment and Robert said not on this project. This will pay off the total cost of \$919,375.75 in the 2014 Facilities Completion Agreement with the Gardners. However, the Gardners still have certificates worth 12 ERUs to be used towards the impact fees of Rollins Ranch Phase 5 (10 ERUs) and Meadow Ridge (2 ERUs).

After further discussion on this item Lannie made a motion that the District makes the final payment to this agreement as stated in Item #5 in November if all other terms of the agreement have been met. Wendy seconded the motion. Motion passed.

Item # 6. Discussion: District Operations- August 2016

The new Western 8"5: PRO PLUS snowplow has been installed on the truck and is ready for winter. A couple of questions were asked regarding warranty service and Robert said that he doesn't think we should encounter any problems with it as Western plows are sturdy and simple, but if we do we would have to drive it to Salt Lake City for it to be serviced.

Effluent water continues to measure well within state requirements and removed over 95% of BOD and 96% of TSS in July. E-coli bacteria registered as 1 organism per 100 milliliters.

Item # 2. 2016 Annual Christmas Dinner. *(Zane requested that we move this item to the position between 6 & 7 in order to discuss other more important agenda items first)*

Robert reminded board members that our 2017 Budget Hearing will be held on Wednesday, December 7, 2016 at 6:00 p.m.

After board discussion Wendy then made a motion to have Janet look into booking our Christmas dinner December 1st or the 15th at Maddox or one of her choosing. Lannie seconded the motion. Motion passed.

Item #7. Discussion: District Statistics as of August 31, 2016

Board members reviewed the District Statistics for August 2016 and compared the number of Impact Fees received to date.

Item #8. Discussion/Decision: Review and approval of the August 4, 2016 Minutes.

Board members reviewed the board minutes from August 4, 2016. Blair asked for a correction on page four, the last paragraph to rephrase the second sentence to read, "Blair then commended Robert for the great job he has done to keep the District in the Black."

Lannie made a motion to approve the minutes as corrected. Wendy seconded the motion. Motion passed.

Item # 9. Discussion: The next scheduled Board Meeting will be on Wednesday, October 5, 2016 at 7:00 P.M.

Robert said that we will have a representative from the Insurance theft bond company here to review our existing policy and discuss recommended updates.

Robert also asked for the Chair and Vice Chair, or two other Board Member volunteers, to come in some time before the next meeting so he could discuss the 2017 budget that he is working on. Robert believes that this would be a healthy involvement for the Board so there is more of an understanding of what is being discussed. Someone asked what he would be covering and Robert said things like major expenses he is anticipating, monthly rates and COLA (Cost Of Living Adjustment).

Wendy asked if the Cost Of Living Adjustments were included in the step program the Board approved last year and Robert said no. The Wage Step Program only defined the pay grades based on time and experience, but the entire program needs to be

reviewed and adjusted for inflation on an annual basis. This was discussed in the meetings where the Board evaluated the program and it is part of District Policy.

Robert emphasized that annual reviews for Cost Of Living Adjustments are part of the wage step program that this Board wanted to install. Other local government entities, such as Ogden, Layton and Morgan County, which have the wage step programs that ours is modeled on, have already begun posting their decisions for the 2017 COLA in the news sources. It is part of the process that has to be completed every year.

Lannie finished by asking if someone outside the Board was welcome to join in the review because his wife was a Human Resources professional and she has experience with things like this. Robert said that would be a great idea if the Board was okay with it.

Zane then ended the meeting.

Meeting Adjourned: 9:55 P.M.

Signed: _____