

MOUNTAIN GREEN SEWER IMPROVEMENT DISTRICT
5455 West Old Highway Road, Mountain Green, Utah 84050
Minutes of the Monthly Board of Trustees Meeting
Wednesday, July 5, 2017

Board Members Present: Zane Gray, Blair Larsen, Lannie Jolley, Gary Ross and newly appointed board member, Larry Nance. **Excused:** Wendy Eliason and Lynn Peterson. **Employees Present:** Robert Volk and Janet Boudrero

Start Time: 7:00 P.M.

Chair: Zane Gray welcomed everyone present this evening and chaired this meeting. He then acknowledged Mr. Larry Nance who was also present.

Invocation: Zane Gray

Public Comment Period:

Larry Nance shared a few comments regarding his time served on the Morgan County Planning Commission and his interest in serving the community as a member of the MGSID Board.

Item # 1: Discussion/Decision: Board Member Vacancy

Robert reminded board members that this appointment is for a midterm vacancy which would fill the seat of Shane Rice whose term would expire December 31, 2019.

Blair stated that as the board has previously addressed this issue with Mr. Nance on more than one occasion, and to keep things simple he would like to make a motion to appoint Mr. Larry Nance to the vacant position. Board members proceeded to discuss this item at some length as there were many questions. Gary stated that he would like to be brought up to speed as he had missed our last meeting.

Robert reminded them that we previously had two candidates but one was not qualified and that the state statute requires the board to fill that vacancy within ninety days and if we fail to do this then it would then be up to the Morgan County Council to appoint someone to this position.

Zane shared that his understanding was that this appointment does not need to be made this evening and that he would propose writing a letter to the County indicating that we have not as yet completed our process or selection. Zane then noted that he has talked with a few residents that have expressed interest in serving as a board member. Karl Reeder is now annexed into the district and another is Dave Cannon. Zane added that he believes there are people waiting for the election to make themselves available as candidates and expressed that he does not feel ready to make a decision on appointing a board member this evening.

Blair then said that that door is now closed as the filing period is over and we have already gone through legal election process with advertising and obtaining the completed declaration of candidacy forms. Robert noted that the only way to submit a new person now for the election would be to go through the Lt. Governor's office to run as a write in candidate.

Zane said he would invite a motion to table this item which would then give the board an opportunity to do more research and get the County involved.

Blair then withdrew his motion.

Zane then questioned Mr. Nance in regards to his no longer being on the Morgan County Planning Council and asked for an explanation as to why he was removed.

Mr. Nance explained the reasons why he was removed and added that it is currently under litigation with the County. He also said he does not think his removal at the county has anything to do with what was being discussed at this meeting. Larry then reassured those present that he had done nothing inappropriate or illegal and that it was more a personality conflict and them taking improper action. He also stated that he now just wants to protect his name. Larry stated that he was also somewhat puzzled why Zane would want to delay the process.

Blair then stated that he could now see where Zane was coming from with trying to be protective of the District. Blair then made a few inquiries of Mr. Nance as to whether the County met in a closed session to which Larry answered yes. Blair then asked Mr. Nance if he was invited into that meeting, to which Larry answered no.

Gary stated that it is good to have open discussions such as these and the importance of making data driven decisions as opposed to emotional decisions. Gary then said that based on what has been discussed here this evening he sees no reason for us not to proceed with the legal appointment for this seat.

Lannie stated that Larry has not shown any reason that would warrant him not joining our Board, and that Larry has only shown a great desire to be of service. Lannie remarked that he would not be opposed to appointing Larry to this vacancy.

Blair then made a motion that we appoint Larry Nance to fill the vacant seat of Shane Rice for the remainder of that term. Lannie seconded the motion. Blair, Lannie and Gary voted in the affirmative. Zane abstained. Motion passed.

Mr. Larry Nance was then sworn in by Zane Gray and had him repeat the Oath of Office as a new board member of the Mountain Green Sewer Improvement District.

Item # 2: Discussion/Decision: Transfer money from Main Checking to the PTIF 4668 Replacement (Depreciation) Account

After brief discussion Gary made a motion to transfer \$50,000 from our Main Checking Account into the PTIF 4668 Replacement (Depreciation) Account. Blair seconded the motion. Motion passed. All voted in the affirmative.

Item # 3: Discussion/Decision: Transfer money from Main Checking to the PTIF 248 Existing Resident's Funds for New Facility Account

After brief discussion Gary made a motion to transfer \$ 60,000 from our Main Checking account into the PTIF 248 Existing Resident's Fund for New Facility Account. Lannie seconded the motion. All voted in the affirmative. Motion passed.

Item # 4: Discussion/Decision: Jim Wixom has resigned

Robert informed the board that Jim Wixom one of our part time operators, has resigned effective June 29, 2017. Jim has previously taken the daily readings, done landscaping and maintenance on our tractor, equipment and blowers. He has agreed to stay on as an active back-up and on call operator. Jim has been a big asset to the District but due to a time conflict with his full time job in Peterson, he has found it necessary to resign.

Robert then explained that he is seeking a year round, part time replacement to work 2 to 3 days per week for approximately 12 to 18 hours per week during the normal business hours of 9:00 AM to 5:00 PM Monday through Friday.

Robert is recommending that we offer a starting pay for an unlicensed person at step 1 of the 2017 Operator Pay Scale of \$17.06 per hour, with a jump to step 4, which is currently \$20.72 per hour, when the candidate completes and get the Small Lagoon License.

After more discussion Larry made a motion that the board approve the Manager to seek a part-time Operator starting at step 1 of the 2017 pay scale for \$17.06 per hour, for approximately 12-18 hours per week during normal business hours with the incentive to move to step 4, which is currently \$20.72 per hour, once the Small Lagoon License is earned. Gary seconded the motion. Motion passed. All voted in the affirmative.

Item # 5: Discussion: Utah State Best Practices for Internal Control

Robert explained that the Utah State Legislative Audit Committee has just released a Review of Best Practices for Internal Control of Limited Purpose Entities which they strongly suggest we use as a guideline. If not, then the state will start to legislate what is not being followed. Robert had emailed copies to all board members prior to this meeting, so everyone can be familiar with the content of this article.

There are currently over 500 Special Service Districts like ours in Utah and that because of problems and complaints coming from some districts, all of the special

districts are under scrutiny. One item that they would really like to see is the separation of duties especially in the accounting division. This could be problematic for a small district because it would mean hiring four different people for different duties. In our effort to comply, Janet and Amy will continue to take the payments and make the deposits and Robert will now do the bank reconciliations.

Board members next discussed creating and implementing a District By-Law Policy that would provide written rules for the Board and Board Members. Neither our Ordinance nor our Personnel Policy set guidelines for the Board to abide by.

Item # 6: Discussion: Board of Directors Compensation (Clarification)

Board members next reviewed the compensation for Board Members. Compensation per Meeting Attended: \$125.00 per meeting. Compensation for Chairperson: \$500.00 Annual and in addition to meeting compensation. Compensation for completing Monthly Audit: \$50.00 each audit. This is usually assigned to the Vice Chair.

Compensation for Completing Required Training: \$100.00 per year for completing all required individual annual training, not per class. This applies to New Board Members and all Board Members for the Open and Public Meetings Act Training. All Board compensation will be paid in one check at the end of the year with taxes withheld.

Item # 7: Discussion: Safety of Intersection outside the MGSID front gate

Board members briefly discussed this situation. Larry inquired who has the right of way and who owns the road and said that before we do anything we need to find out the ownership of the road.

Blair mentioned that once the Johnson's started building the storage units that the fence that had originally been out by the entrance of the park was removed.

Robert stated that agreements were originally made between the Johnson's, the County, the Aspen Meadows developer and the District but nothing is clear at this point in time. He further explained how the Johnson's and the District share in the snow removal during the winter.

Robert said that he had previously discussed the issue of placing warning signs for people to slow down with Mike Waite from the County but Mike had said that he has to have either a study or affirmed reason before he can place any signage.

Board members discussed the possibility of using speed bumps. Blair made the suggestion to call Utah Barricade and just order them. Robert noted that he wants the board to be aware of the situation and decide how they want to address the problem. He will research the options the Board has recommended.

Item # 8: Discussion: Morgan County Building Permit Process

Board members were apprised that on May 15, 2017, Zane and Robert met with Lance Evans, the new Morgan County Planner. They provided the letter suggesting a couple of small changes to the County's building permit checklist along with an update of the contact information. Robert indicated that there have been no changes made at this point in time.

Item # 9: Discussion: District Operations – June 2017

Board members were updated on the District Operations for June 2017. Everything seems to be going great. Robert also reported on the different reports which have been submitted. The Annual Financial Report was uploaded to the State Auditor's website and certified by both Janet and Robert.

The Annual Impact Fee Report was completed by Robert and uploaded to the State Auditor's Website. The Annual Transparency Balance Sheet Report was completed and uploaded to the state Auditor's Website as required. Robert also sent a request to Moreton & Co. to increase the Public Officials (Treasurer's) Bond amounts from \$40,000 each to \$75,000 each per the Auditor's recommendation.

Item # 10: Discussion: District Statistics as of June 30, 2017

Board members briefly reviewed the District Statistics as of June 30, 2017.

Item # 11: Discussion/ Decision: Review and approval of minutes of May 3, 2017 and June 7, 2017.

After board review of the minutes of May 3, 2017, Gary made a motion to approve the minutes. Blair seconded the motion. Larry abstained. Motion Passed.

Board members then reviewed the minutes of June 7, 2017. Gary made a motion to approve the minutes. Lannie seconded the motion. Motion passed.

Item # 12: Discussion: The next scheduled Board Meeting will be on Wednesday, August 2, 2017 at 7:00 P.M.

Item # 13: Motion to Adjourn:

Lannie made a motion to adjourn. Gary seconded the motion. Motion Passed.
Meeting adjourned: 9:50 P.M.

Signed _____