

MOUNTAIN GREEN SEWER IMPROVEMENT DISTRICT
5455 West Old Highway Road, Mountain Green, Utah 84050
Minutes of the Monthly Board of Trustees Meeting
Wednesday, October 4, 2017

Board Members Present: Zane Gray, Blair Larsen, Wendy Eliason, Gary Ross, Lannie Jolley and Larry Nance. **Employees Present:** Robert Volk and Janet Boudrero

Start Time: 7:05 P.M.

Chair: Zane greeted those in attendance then proceeded to chair this meeting. Zane said that because of the short agenda this evening we will intentionally be making this meeting short. We will also be approving the minutes from the last two months.

Invocation: Larry Nance

Public Comment Period: Zane remarked that next year our 2017 audit will show that everyone finished the annual required board training. Robert noted that we are almost finished but we still have two board members, Wendy and Lannie, who have yet to complete the Open & Public Meeting's Act training.

Item # 1. Discussion: Annual Christmas Dinner

Zane informed board members that Janet has been working on putting together our annual Christmas dinner. Janet shared what information she received from contacting Maddox Restaurant in Willard, Utah. They have two different evenings from which the board members can select which evening works best for them. After a brief discussion board members selected Thursday, November 30, 2017 at 6:00 P.M.

Janet indicated she will confirm that reservation for the MGSID Christmas Dinner for that date and time.

Item # 2. Discussion/Decision: Approve purchase of diffusers & clamps

Board members were reminded that the Manager has been having the worn out diffusers replaced on the aeration system in a two year process to spread out the cost. He is now requesting that the board approve \$14,000 for the purchase of 304 diffusers and 608 clamps before the end of 2017 that will be used next spring. Robert will be budgeting \$16,000 in 2018 for the labor that will be required to change the diffusers that are being purchased now.

After board discussion Larry made a motion to approve \$14,000 for the purchase of the 304 diffusers and 608 clamps. Lannie seconded the motion. All voted in the affirmative. Motion passed. Zane stated this will wrap up this project.

Item # 3. Discussion: 2018 Preliminary Budget

Board members were reminded that in our next Board Meeting in November, they will be approving the 2018 Preliminary Budget. In our December Public Hearing/ Board Meeting they will be approving the 2018 Final Budget. It was emphasized that attendance in those next two board meetings will be important.

Robert indicated that the District Income and Expenses for the 2017 Budget are both on track and that we should be able to end 2017 with income above what was budgeted, and expenses a little below what was budgeted. Because of this, no budget amendments should be necessary.

It was also brought to the Board's attention that early estimates on the 2018 budget show income will increase sufficiently at the current rate of \$40 per month due to anticipated new connections along with additional interest income from the PTIF accounts. As such, there is a good possibility we will be able to remove the remaining rate increases that are set for 2018 and 2019. Zane remarked that is encouraging.

Item # 4. Discussion: Conflict of Interest Statement for 2017

Board Members briefly addressed the Conflict of Interest Statement for 2017. Our auditor's had earlier requested information from the Board Members for the 2016 audit regarding any conflicts of interests. In order to be prepared for the 2017 and future audits, one of our Directors made the recommendation that all Board Members sign a prepared statement each year.

Robert has prepared a Conflict of Interest Statement for 2017 for those who are interested in signing so he will have those ready to give to our auditors next spring. He also stated that if any board members do not want to use the prepared form, then just write on a piece of paper that they have no conflicts of interest, date and sign it.

Item # 5. Discussion: Intersection outside front gate

Board members next discussed the situation outside the front gate. They were informed that per the Board's instruction, Robert had sent letters to the Morgan County Attorney and the HOA for the Aspen Meadows Condominium complex advising them of the children playing in the intersection on the road which is owned by Morgan County.

Robert offered copies of those letters to Board Members that were interested in reviewing them. Gary inquired if Robert has received any response to which he replied yes from both entities. He talked with the realtor who represents the HOA and he indicated that they are well aware of the situation and it has actually been discussed in their meetings as well but they are having problems with some of the residents.

Robert also received an email from the County Attorney stating that he had forwarded our letter to the County Engineer, Mark Miller, the County Planner, Lance Evans and to

the County Facilities Director, Mike Waite to advise them and make them aware of the situation.

Zane asked if Robert had heard anything from Mike Waite regarding the signage to which Robert said no.

Item # 6. Discussion: Best Practices Checklist- Second Section

Gary led the board discussion on evaluating how the District is fulfilling the outlined items from the Second Section of the Best Practices Checklist. This Report is titled, **Internal Controls**, to which the members reviewed and discussed the second section of the Best Practices Checklist to determine what should apply to the MGSID. The entire checklist is attached to the end of the Agenda for reference.

INTERNAL CONTROLS: Items 10-15

10. The Board approves policies that govern the organization and addresses each best practice described in the best practice audit. *Board members discussed this item and Robert explained that the District does have a Procurement Policy (purchasing) as well as a Personnel Policy.*

11. The Board regularly reviews a report of entity disbursements. *Robert said we do have a multi-tiered policy in place as Janet and Amy handle all the accounting and deposits and he handles all the bank reconciliations and Lannie comes in once a month and reviews all accounts and writes a summary and gets clarification on any questions he may have. Zane questioned if Lannie was caught up on that process to which Lannie responded yes, he was.*

12. To control credit purchases, purchase cards (or “p-cards”) are issued to a limited number of staff. Limits are placed on the dollar amount, type and number of charges made to each card.

Robert explained that we use credit cards and not prepaid purchase cards. Only Robert and Janet have active credit cards. There is also the original credit card account under Dennis Baldwin’s name, but he does not have a card. That account is only used to credit rewards points from purchases on the other two cards, which are turned in every so often for items such as a vacuum for the office. Each credit card account is reconciled every month and we have receipts for every purchase.

Zane questioned Lannie that when he goes over the bank statement’s is he watching for any expenditure that would exceed \$2,000. Lannie explained that he does and also watches the beginning and ending balances of each account to see if they are exact. Robert added that he asks quite a few questions and does a great job with the review.

13. An independent person with no book keeping responsibilities is assigned to reconcile the bank statement each month with that month’s receipts and expenses.

Robert reconciles all of the account statements and he has separated himself from the other financial duties and deposits.

14. The Board required its formal approval of any expenditure above a certain dollar amount.

Zane answered that the limit is \$2,000 which is in the District Procurement Policy.

15. The Board requires that two people sign all local entity checks. Before signing, both signers will review and approve the attached requisition sheet.

Two signatures are required on all checks. Janet prepares each check. We do not have a requisition sheet as we just have the bills that come in and Janet prints a check for those. Janet writes the check and signs it then Robert reviews it and also signs.

Item # 7. Discussion: District Operations- September 2017

Effluent continues to measure well within state requirements and removed over 99% of Biochemical Oxygen Demand (BOD) and 97% of Total Suspended Solids (TSS) in September. E-Coli bacteria registered as Non-Detectable.

Item # 8. Discussion: District Statistics as of September 30, 2017

Board Members reviewed the District Statistics as of September 30, 2017. Lynn asked if we have experienced any further problems with contractors digging prior to paying the required fees or receiving their building permit. Robert explained that Lance Evans from the County has corrected that situation and we have not had another incident of a contractor digging before paying their impact fee.

Lynn then questioned if we are aware of any residents who could be connected and actively using the sewer but not paying the required fees. Robert said that it has happened in the past but we eventually find out either by accident or by happenstance. Robert further explained that he regularly reviews the development maps and data from the data base to try to prevent this from happening again.

Zane then asked what the date was that we emptied the expansion accounts to pay for the trunk line.

Robert reviewed the date on his computer and said that it was November 7, 2016. Board Members then briefly discussed monies from impact fees, those that were prepaid and those not collected yet, as some people purchased lots and are still holding onto them. After reviewing the financials Robert reminded the board that he is getting ready to fulfill the third quarter reimbursements so that number will be different next month.

Lynn inquired if all the manhole repairs had been completed and inspected. Robert said that they have but he does have a problem with a few that we still cannot locate because they were covered up with asphalt.

Robert then noted that he will be recommending two expense items for 2018 when we review the upcoming budget. One is for funds to complete the 15" sewer line on Garnet and Cottonwood Canyon Road. The second would be for the addition of a screener at the headworks. He added that we do not need to discuss these items tonight, but he only wanted to give them an advance notice of items to be considered.

Item # 9. Discussion/Decision: Review and Approval of the September 6, 2017 Minutes and the August 2, 2017 Minutes.

After review of the August 2, 2017 minutes Larry made a motion to approve. Gary seconded the motion. All voted in the affirmative. Motion passed.

Board Members reviewed minutes from September 6, 2017. Larry made a motion to approve. Blair seconded the motion. Motion passed.

Item # 10. Discussion: The next scheduled Board Meeting will be on Wednesday, November 1, 2017 at 7:00 P.M. We will be reviewing the 2018 Preliminary Budget.

Larry pointed out the Morgan County starts their meetings start at 5:00 P.M. and would like the board to consider in the future to start our meeting earlier at 5:00 or 6:00 P.M. Board Members briefly discussed the possibilities.

Item # 11: Motion to Adjourn.

Larry made a motion to adjourn. Gary seconded the motion. Motion passed

Adjourned: 7:55 P.M.

Signed: _____ --