

MOUNTAIN GREEN SEWER IMPROVEMENT DISTRICT  
5455 West Old Highway Road, Mountain Green, Utah 84050  
Minutes of the Board of Trustees Meeting  
Wednesday, March 3, 2021 6:00 P.M.  
APPROVED

Board Members Present: (Chairman) Larry Nance, Zane Gray, Bill Coutts, Nathan Hill and Taylor Nielsen Employees Present: Kent Wilkerson (Manager) Heather Burger (transcriptionist) Guests Present: Cliff Linford, Jared Anderson, Craig North, Jeff Allen, Robyn Casper

A. Call to Order: Chairman Larry Nance welcomed everyone present then called the March 3, 2021, meeting to order at 6:02 P.M.

B. Prayer: Zane Gray

C. Approval of Agenda: Member Hill made a motion to approve the agenda as posted. Member Coutts seconded. All in favor. Motion passed.

D. Declaration of Conflicts of interest: None.

E. Approval of Minutes: Member Coutts made some corrections which were noted and incorporated by the Manager. Member Coutts made a motion to approve the minutes with corrections. Chairman Nance seconded. All in favor. Motion passed.

F. Public Comment: None

## Agenda Items

### 1) Public Hearing for Community Impact Board Funding

Chairman Nance made a motion to go into the public comment section of the public hearing for Community Impact Board funding. Member Hill seconded the motion. All in favor. Motion passed.

Mr. Cliff Linford from Sunrise gave a brief explanation of the need for funding for the benefit of the public. Mountain Green needs to expand and change their treatment facility from a lagoon to a mechanical plant in order to meet the phosphorus limit rule from the Division of Water Quality. This will also move the MGSID facility from a 0.6MGD to a 1.5 MGD facility. The Division of Water Quality has said that they can loan about half of the needed funds for the expansion so MGSID is seeking the remaining needed funding from the Community Impact Board.

Manager Wilkerson noted that MGSID is a rural community and not part of the

Wasatch Front Urban planning area. Its population is about 4,000, and it is regionally situated to provide sewer services without the addition of other public sewer systems.

There was opportunity for public comment, but no one made any comments.

Chairman Nance made a motion to go out of the public comment section of the public hearing. Member Coutts Seconded. All in favor. Motion passed.

Chairman Nance made a motion to enter a regular board meeting. Member Hill seconded the motion. All in favor. Motion passed.

2) Funding of the Sewer Plant Expansion

The Facilities committee and Manager received 3 qualified proposals from potential financial advisors to the District. The Manager and Member Coutts came to the same conclusion that Zions Bank Public Finance would be the best choice. They gave a brief explanation about their reasons and process for making this choice, which included calling other Districts who had used Zions and getting feedback on their service.

Member Hill asked for clarification on what the financial advisor will do for the district. They will assist the district in making financial decisions and obtaining funding for the sewer plant expansion. They have expertise and experience from prior, similar projects. Zions will continue to advise the district throughout the expansion process. The estimated cost of their services is \$20,000.

Chairman Nance said that the RFP was not specific in indicating that Zions would have the onus of seeking where to get funds to borrow. Member Coutts said that it was his understanding that that would be Zions' role in conjunction with the Board and Sunrise. Member Hill suggested, and it was agreed, that Member Coutts, and Sunrise should be the ultimate point of contact for the financial advisor. Member Coutts will consult with member Hill and Chairman Nance from the finance committee for support and as otherwise needed.

Member Coutts made a motion to hire Zions Bank Public Finance as the District's financial advisor. The Chairman seconded the motion. All in favor. The Chairman requested that it be included in the proposal that Zions will have the responsibility of looking for a loan for the District. Motion passed.

### 3) Service Capacity and Standby Fees

Chairman Nance added this item to the agenda because he was concerned, based on the Manager's recent numbers, that the District is obligated to provide more service than it has, or will have capacity.

Member Coutts explained that there are many properties with paid standby fees that won't be built and require actual service for some time. He and the Manager reasonably concluded that the District's capacity will not be maxed out until around 2026 when the plant expansion is expected to be complete. They factored this with conservative numbers and felt comfortable with their estimates. Member Coutts recommended that when people come in the Manager should ask when they actually intend to connect to the district. That way there can be some predictability for how many ERUs will actually be consumed as opposed to how many are requested. This will ensure that the district does not surpass capacity before the completion of the plant expansion.

The Chairman asked whether Snow Basin should be included in the list of potential developments. The Manager said yes. They will be coming in to discuss their master plans with him, but they will need to come with proactive solutions and make sure their plans fit the District's timing so that service capacity is not consumed.

Member Hill said that the standby fee would seem to indicate that the growth rate will be more like 10% as opposed to the 4.5% that was planned for in the CFP. He asked if that was accurate. The Manager explained that the standby fee gives the District the ability to project growth, but does not indicate actual connections. Member Hill summarized by saying that there was no need to panic, and that the projected growth will be addressed by the plant expansion and that the District should be pleased that there is no concern over lack of growth.

Member Gray asked Jared Anderson how the recent community council meeting went, specifically about Wasatch Peaks Ranch. There was some discussion about the proceedings.

#### 4a) Will Serve Requests \_The Basin

The plan for The Basin development is to release about 36 units per year. Member Nielsen asked how the developer is planning to phase the development. Phase one would be 2, maybe 3 years to sell out. Phase 2 would be 4-6 years from start. Phase 3 is a commercial area which will come on board when there's a demand for commercial property in the area.

Member Nielsen asked whether there were concerns about land drains due to

the slope of the property. Mr. Allen from CW land indicated that the county had removed the requirement for land drains and that GeoTechnical reports had given them confidence that there would be no concerns about drainage.

The Manager looked at the GeoTechnical report which states that there needs to be further investigation. He will continue to discuss with the GeoTechnical engineer and further issues will be addressed before the District signs off on the construction plans for the development.

There was some discussion about the drainage on the property. The Manager recommended the motion for a Will Serve should be approved subject to the results of the GeoTechnical investigations and implementation of any solutions that are needed.

Member Coutts motioned to approve The Basin's Will Serve application with these stipulations. Member Gray seconded. All in favor. Motion passed

#### 4b) Whisper Ridge Phase II

Whisper Ridge Phase II has changed ownership and has 31 lots, redesigned from the initial plan. The intent will be to sell to homeowners who will be using custom home builders. They will go on the market after the asphalt for the road is down. Mr. North estimated that the first homes would actually connect in 2022. The average lot size was estimated to be 1.25 acres. Member Gray made a motion to approve the Will Serve for Whisper Ridge. Member Hill seconded. All in favor. Motion passed.

#### 4c) Warner family

The Warner family is seeking approval for 10 half acre lots. The development has 12 units, but 2 are existing connections. Member Hill made a motion to approve the Will Serve for the Warner family. Chairman Nance seconded. All in favor. Motion passed.

#### 5)Canyon View Commercial West\_ Will Serve and Memorandum of Understanding

Mr. Val Poll is seeking approval for 9 ERUs on a commercial site. There was some discussion about the uses of the property, the location of a current well on the property, and where the new lift station would be situated. Member Gray motioned to approve the Will Serve request. Chairman Nance Seconded. All in favor. Motion passed.

Member Nielsen made a motion to go into a closed session to discuss real

estate issues. Member Gray seconded. All in favor. Motion passed.

Chairman Nance made a motion to come back into an open Board Meeting. Member Hill seconded. All in favor. Motion passed. Chairman Nance noted that no actions were taken during the closed session.

Member Nielsen made a motion to approve the MOU between Val Poll and his party and MGSID with the following amendments:

Item 3: The District will provide the easement directly to Highlands Water Company and not to Val Poll's group, retaining the right to reassign.

Item 10: To ensure the completion of an operable lift station be necessary prior to quick-claiming the deed to the existing lift station.

And one addition: Item 21: That Mr. Poll and HCA agree to complete the waterline to allow for the required fire flow, and allow MGSID to connect to the water line to provide fire protection and culinary service to the new plant.

Chairman Nance seconded the motion and asked that the facilities committee review the final document.

Member Nielsen added to the motion that the exhibits in the final document shall be amended to reflect the above changes/additions and the final document shall be approved by the facilities committee with signature from the Chair.

Chairman Nance re-seconded the motion.

An addition was made to item 10 which states that MGSID shall retain the easement for the existing sewer main line under the existing lift station.

Due to new information presented by Mr. Poll about the assignment of water rights Member Nielsen's motion to approve the MOU was also made subject to review by MGSID's attorney and final approval by the facilities committee. All in favor. Motion passed.

## 6) 2021 MWPP

The State seeks a resolution certifying the Municipal Wastewater plan for MGSID on a yearly basis. There were several errors in the existing document that need to be addressed. Changes include:

Collections:

- Section 1.2 should be updated to 4 commercial hangers
- Population updated from 3400 - 4200
- SSMP - cleaning for storm water drains needs to be defined more specifically

Finance:

- 5 year loan needed

Plant /Lagoon

- 1.2 commercial and 1200 ERUs
- Expanded narratives on the system and references to our CFP as available on the MGSID website

Chairman Nance suggested changes as follows:

- Do you have a water and/or sewer customer assistance program, should be “yes” - “Is the repair and replacement sinking fund sufficient to meet anticipated needs?” Should be “no” The Manager said that the MGSIDs repair and replacement fund is sufficient, but doesn’t, nor should it, cover future growth of the plant or the current CFP. - “Are sewer revenues sufficient to cover all costs of current capital improvement projects?” The Chairman said it should be “no” and that the Water Quality Board had said that the District should raise current rates. Member Grey and the Manager argued that rates were recently increased and should be sufficient. Member Hill agreed that current rates were sufficient also.

Page | 10

- “Are projected Capital Improvements Reserve Funds sufficient for the next 20 years?” The Chairman thought the answer should be “no”. The change was made. - 2020 Replacement Cost should be changed from 8.5 Million to 14.5 Million. - “What is the sewer/treatment system annual asset renewal cost as a percentage of its total replacement cost?” Should be \$203153
- “What is the largest diameter pipe in the collection system?” Last year the response was 24, this year it’s 21. The Manager said that last year’s response was made in error. - Population should be 4000.
- “Is there a written policy regarding continuing education and training for wastewater operations?” Last year’s response was yes, but after reviewing MGSIDs documents the Manager felt that the answer should be “no”.

The approval of the 2021 MWPP was postponed till the April meeting.

7) Reports

Auditor: The District is \$13,925 in the positive this month. Sunrise hasn’t sent a

bill in 2 months which is one reason why the balance is high. The auditor expects a large bill from them in the near future. There was some discussion about checks that only had one signature, but neither were large amounts or unusual payments. It was an oversight and of little concern.

Manager: The Chairman asked why there was an error in the format of the budget report. He asked that next month the format be consistent. The Manager is looking into making credit card payments available on MGSIDs website. There was a survey sent out by the county for their master plan. The Manager is supplying them information as needed. The Chairman made the point that there should be another operator in training to prepare for Eddy graduating from High School and moving on to other things.

#### 8) New Business

- Completed Water Quality Report
- Send out any corrections to the minutes to the whole Board
- Update on financial advisor and moving forward with potential loans from the facilities committee.
- Accountant to send out a final copy of the depreciation schedule when it is completed.
- Bond Counselor needed, but not for a couple of months. The financial advisor will help with that. Member Hill had some questions about this. Financial Advisor to participate in next month's meeting if possible.

#### 9) Motion to Adjourn

Member Grey made a motion to adjourn. Seconded by the Chairman. All in favor. Motion passed.