

**MOUNTAIN GREEN SEWER IMPROVEMENT DISTRICT**  
5455 West Old Highway Road, Mountain Green, Utah 84050  
**Minutes of the Board of Trustees Meeting**  
Wednesday, May 5, 2021 6:00 P.M.  
APPROVED

**Board Members Present:** (Chairman) Larry Nance, Zane Gray, Bill Coutts, Nathan Hill  
**Employees Present:** Kent Wilkerson (Manager) Heather Burger (transcriptionist) **Guests Present:** Marcus Keller, Ryan Bjerke, Cliff Linford

**A. Call to Order:** Chairman Larry Nance welcomed everyone present then called the May 5, 2021, meeting to order at 6:04 P.M.

**B. Prayer:** Larry Nance

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

**D. Declaration of Conflicts of interest:** None. Chairman Nance asked Manager Wilkerson to email a conflict of interest statement to all Board members.

**E. Approval of Minutes:** Member Hill made a motion to approve the minutes with corrections. Member Coutts seconded. All in favor. Motion passed.

**F. Public Comment:** None

## **Agenda Items**

### **1) Plant Expansion/Sunrise Engineering and Zions**

Originally, the planned improvements of the Monte Verde lift station were included as a bond reimbursement project. With the addition of Wasatch Peaks Ranch the Improvements to the Monte Verde lift station have been abandoned in favor of building the new Canyon View lift station. Manager Wilkerson and Sunrise do not recommend including the Canyon View lift station in the bond reimbursement because of the conflicts with CIB and DEQ requirements. CIB and DEQ won't allow the District to receive funds from the bond sale before the job is completely designed and bid out, but it is necessary to move forward on the Canyon View lift station in the immediate future.

Member Coutts asked Mr. Keller if this was also his recommendation to the Board. He confirmed that it was.

The Chairman asked for exact financial obligation on the Canyon View lift station and wondered whether it was risky to not include the project in the bond reimbursement. He asked whether this decision could be reversed later. Mr. Keller confirmed that reversing the decision is not possible, but that a private loan reimbursement might be a possible solution if that becomes necessary.

The Chairman wanted to clarify the number that would be used when adopting the resolution. There was some discussion about this. Mr. Bjerke said that the IRS has rules about adopting a number that is too inflated, but that it is possible to choose a number that provides a cushion in case of rising costs or other contingencies. He said it was favorable to adopt a higher number for the purposes of the resolution, but that the District need not use the entire amount stated in the resolution. There was some discussion about that.

Mr. Keller suggested that the Board adopt the amount of \$20,000,000. Mr. Bjerke reiterated that just because 20,000,000 is the number on the resolution does not mean that the District has to issue bonds to that amount.

Member Hill asked whether \$20,000,000 is the number that would be used at the public hearing. He did not want such a large number to be of concern to the public. Mr. Bjerke said that as the project is bid and the numbers are solidified the District can publish the accurate numbers to the public. The resolution number is merely a maximum cap, adopted to satisfy IRS requirements.

The Chairman asked what number the District should go to the CIB with. Mr. Keller said that he thought \$8,000,000 was a reasonable number and not out of line with the rising costs of materials and other contingencies that might occur. Member Coutts said he felt that \$20,000,000 for the resolution with \$8,000,000 requested from CIB were reasonable numbers. The other board members had no concerns about those amounts.

Member Hill asked why the two payments of \$226,500 for Treatment Plant Engineering and Design were not included for reimbursement. He expressed concern about making those payments upfront. Mr. Linford said that those payments are eligible for reimbursement, but they are part of the \$500,000 that the District pledged to pay as part of the application with CIB. Member Hill asked Mr. Linford whether a decision would be made closer to the time about having the payment reimbursed. Mr. Linford said 'yes.' Mr. Keller said that the first few years of payments to the DEQ will be on interest only and won't be a heavy burden on the District. He said that the CIB generally gives a grace period of about 18 months interest free, and he estimated that the first payments wouldn't be due until 2023.

The June meeting for the Board will not matter as was previously thought. Holding the Board meeting prior to the CIB meeting is better so that Mr. Keller can brief the Board on what he will be presenting to the CIB. Chairman Nance asked when the public meeting needed to be held. Mr. Keller confirmed that the public meeting will be held closer to when the bonds are issued in 2022. Possibly at the November/December 2021 Board meeting.

Member Hill asked what the final depth was for the dig on the Canyon View lift station. Manager Wilkerson said that the final depth was estimated at about 26ft. Member Hill asked if any of the changes will change the price. Manager Wilkerson said The Val Poll project will be entering the site at 15ft, and the Wasatch Peaks project will be entering at 18.6ft, but the digging has to go below that, hence the estimated total depth of 26ft. Member Hill went on to ask about permits for Wasatch Peaks. Manager Wilkerson confirmed that permit requests were being sent out almost immediately by Sunrise Engineering.

Member Coutts asked when the permit requests will be sent out. Manager Wilkerson said that Jared from Sunrise has said that they will be sent out almost immediately. Member Coutts asked that Manager Wilkerson please track those items and make sure that they are sent out in a timely manner.

Member Nielsen updated the Board on the memorandum of understanding with Wasatch Peaks Ranch.

Manager Wilkerson informed the Board that he would be sending out an RFP for the SCADA system in July or August.

## **2) Bond Reimbursement Resolution**

The Maximum principal amount was settled on \$20,000,000. The words “necessary lift stations” were added to the phrase “and various other improvements and upgrades to the system including, but not limited to, those improvements and upgrades on the District’s Capital Facilities Plan.”

Member Hill asked whether the things listed as expenditures were specific enough. Mr. Bjerke thought it was. He also asked whether the District would need to make another fund since the resolution specifically states that the bond will be paid out of the “Enterprise” fund. It was concluded that the accountant had called the District’s fund a general enterprise fund and that that was all that was required.

Member Coutts made a motion to adopt the resolution 2021-2 as amended. Member Nielsen seconded. All in Favor. Motion passed.

## **3) Acceptance of Authorization of Division of Water Quality for Funding**

There was a question about paragraph 3 on page 4. There is a clause that says that the District will raise rates in the event that revenue doesn’t cover the bond payments. Mr. Keller confirmed that the District’s current revenue should be enough to cover bond repayments as they currently stand, and as such, this clause should not be a concern to the District.

Member Hill asked about the escrow account that is mentioned in paragraph 2. Mr. Keller explained that this would most likely be a PTIF account held by the state of Utah in order to control the withdrawal of bond money. Mr. Keller didn’t know whether there was one escrow account or one each for CIB and DEQ, but he did confirm that funds would be drawn from both loans equally. As an example, he said that if a payment of \$1,000,000 was submitted for reimbursement, \$500,000 would be drawn from CIB and DEQ for repayment.

Member Hill made a motion to authorize the Chair to sign the DEQ letter pending final changes by Mr. Keller and the DEQ. Member Gray seconded. All in favor. Motion passed.

The Federal government is giving COVID relief funds to local governments. Mountain Green might have access to these funds, so there was some discussion about how much the Board should ask for. Mr. Keller advised Manager Wilkerson to emphasize the fact that the District’s project is well underway. It was concluded that the amount of the project should be disclosed but that no specific amount should be requested.

## **4) Will Serve Request \_ ‘Short Field Landings’ \_Blair Gardner**

14 units in 3 separate buildings under 1 ownership. The Manager recommends that he needs 3 ERUs. He already has 1 ERU, so he is requesting 2 more ERUs and 2 more impact fees. The agreement would be held based on water use and may incur additional impact fees and ERUs.

Member Coutts suggested that the District assess the ERUs based on what would be charged at an apartment complex because there is a possibility that people will be living there.

The chairman made the decision to table the item pending further investigation into the project by the Manager in conjunction with the facilities committee.

## **5) Credit Card RFP**

After some discussion, the Board decided that the credit card service for the District should be discontinued.

## **6) Reports**

Auditor: In the green on everything. The Chairman asked what is meant by “Visas paid off?” Member Hill confirmed that the Visa bill for the month had been paid.

Expansion: The Chairman asked whether the equipment RFPs have been sent out and if so when would the Board would have the bids. Manager Wilkerson said that he is hoping to have recommendations for the Board by next month. The Chairman asked if that would give clarification on the total cost of building the plant. Manager Wilkerson said that it would help, but that the final cost of the plant would not be known until closer to the end of the year.

Personnel: The Chairman has been trying to change the election cycle, but the county clerk will not support changing the election cycle. Member Hill and Member Coutts’ election cycle have come to an end this year. A mail in ballot election must be held if 3 or more people respond from the public. The rough estimate cost is \$6,000. Member Gray volunteered to be responsible to follow up with the county clerk, and Manager Wilkerson needed to mail the letter to the newspaper.

Manager: Chairman Nance asked Manager Wilkerson to add a line in the budget to show the impact fees that are being paid now and are neither prepaid nor advanced funding impact fees.

Member Gray wanted to know whether the payment made by Wasatch Peaks will be in the budget report for next month. The Manager explained that the \$22,000 that was paid was for a stand-by fee not an impact fee.

The Chairman asked for clarification about the “Board” tab on the Manager’s report. Member Hill asked the Board if they all received the questionnaire from the external auditor. Everyone confirmed that they had. The Chairman said that he felt late standby fees should be accepted. The Manager wanted a consensus about how much time should be allowed before a new will serve application would be required. The Manager proposed 60 days, but the Chairman felt that it should be left to the Manager’s discretion. Manager Wilkerson said he would confer with member Coutts as well.

Cottonwoods water would like to rent the district’s GPS unit. The Chairman was concerned about liability on renting GPS equipment. Member Nielsen asked what is the accuracy on the GPS. Member Nielsen asked for more information about why Cottonwood water wants to use it. Member Gray made a suggestion to include the liability of use in a rental agreement. Chairman Nance questioned whether it was worth the time and money involved to have a rental agreement drawn up. It was decided that Manager Wilkerson needs to get more specifics about the rental before proceeding.

**7) Board New Business**

None.

**8) Motion to Adjourn**

Motion to adjourn the meeting made by member Gray. Member Nielsen seconded. All in favor. Meeting was adjourned at 9:06pm.

