

MOUNTAIN GREEN SEWER IMPROVEMENT DISTRICT
5455 West Old Highway Road, Mountain Green, Utah 84050
Minutes of the Board of Trustees Meeting
Wednesday, July 7, 2021 6:00 P.M.
APPROVED

Board Members Present: (Chairman) Larry Nance, Zane Gray, Bill Coutts, Nathan Hill, Taylor Nielsen **Employees Present:** Kent Wilkerson (Manager) **Guests Present:** Cliff Linford, Marcus Keller, Jared Anderson, Kirk Smith, Ryan Child, Cami Moss

A. Call to Order: Chairman Larry Nance welcomed everyone present then called the July 7, 2021, meeting to order at 6:00 P.M.

B. Prayer: Larry Nance

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

D. Declaration of Conflicts of interest: None.

E. Approval of Minutes: Chairman Nance made a motion to approve the minutes with corrections. Member Gray seconded. All in favor. Motion passed.

F. Public Comment: None

Agenda Items

1) Plant Expansion _ Sunrise Engineering

Chairman Nance gave the Board an update on the presentation to the county made by member Nielsen for the Covid Relief funds. The District requested 1.5 million from the county, in part, to help cover the 125% of the Community Impact Board debt service required to be held by the District. He also updated the Board on important dates as noted in the expansion project calendar.

- Bond Closing - May/June 2022
- Treatment Plant Bids - April/May of 2022
- Plant Construction Starts June/July 2022

Cliff Linford noted that these dates represent a best possible scenario and may be pushed back a month or two. He also noted that requesting bids in April/May is not ideal since most contractors have their work lined up for summer by that time. He suggested that it might be better to wait until the fall to request bids.

Chairman Nance and Mr. Linford confirmed that the final bids must be in before the bonds will close. It will be the Board's decision whether to request bids in the spring or in the fall.

Marcus Keller gave the Board an explanation about why the impact fee analysis from Zion's was different from the one given by Sunrise Engineering. He explained that Sunrise's team had gone more in depth and included projections for community growth that Zion's did not.

Mr. Linford said he and his team felt confident in the growth rate that they had projected, but he explained that if the community growth rate is lower than projected, the solution would be to increase rates. Member Gray asked if raising impact fees was also a possibility, but Mr. Linford explained that there are laws governing how impact fees can be calculated and that they could not be increased unless the cost of the plant expansion went up. Member Gray asked whether

in future it might be possible to leave impact fees as they are and reduce the monthly rates instead. Mr. Linford said that that was possible.

There was some discussion about the exact numbers needed to meet the 125% debt service, and Mr. Keller summed up by explaining that generally, the CIB and Division of Water Quality(DWQ) will only take action in this regard if the District fails to make a payment. Mr. Keller also noted that any reduction that can be made to the debt service is a good idea, considering that the revenue for the District is based on projected growth. Therefore, the application for the 1.5 million dollar grant from the county Covid Relief funds is a wise decision.

Member Coutts confirmed that he was planning to attend the July 20th county commissioner meeting and would continue to advocate for the District to be awarded the grant money, and suggested that it would be beneficial if Member Nielsen could also attend.

Chairman Nance asked Mr. Linford to produce an updated cash flow analysis, including how much the District will need to pay out before the closing of the bond and also how much the District has already paid. Mr. Linford said that he would do so.

Chairman Nance thanked Manager Wilkerson for the expansion project calendar and requested that the manager update the calendar as dates change throughout the expansion project.

Manager Wilkerson informed the Board that the contract for the BNR process equipment had been awarded to Bioworks.

Manager Wilkerson made the recommendation that the Board approve the facilities committee to oversee the Final Design Work Release for Sunrise Engineering. It will also be vetted by the District's legal counsel.

Jared Anderson noted that no decisions on the Covid Relief fund grants would be made on the 20th of July. He said the decision would most likely be early in August.

Chairman Nance made a motion to authorize the facilities committee to approve the Final Design Work Release subject to legal review. Member Hill seconded the motion. All in favor. Motion passed.

Member Coutts asked Manager Wilkerson to get an estimated date of completion for the legal review from Mr. Stratford, the District's legal counsel.

2) Will Service Application_ Frontier Estates

10 lots proposed by Kirk Smith to be developed on Trapper's Point. The development has a topographical challenge and Mr. Smith suggested that each homeowner be responsible for the maintenance of their own grinder pump and lateral. The Sewer District would be responsible for the sewer main in the development. There was some discussion about the District's additional burden of maintenance for the pressure line required.

Member Nielsen made a motion to provide a Will Serve to Frontier Estates for 10 lots with the final design to be approved, including which parts of the system are the ownership of the District and which will be the ownership of the homeowners. Member Coutts seconded. Member Gray voted against, all others in favor. Chairman Nance concluded by saying that the agreement to provide a will serve does not constitute an agreement for the District to maintain a pressure line in the development.

3) Wasatch Peaks Ranch _ Memorandum of Understanding

Member Nielsen updated the Board on the Memorandum of Understanding with the Wasatch Peaks development. Their lawyer has looked over the document and Mark Stratford has made changes for the District. Wasatch Peaks' lawyer will need to look at the changes made by Mr. Stratford before the final copy is completed and agreed upon. Some significant points from the agreement include:

- Wasatch Peaks wanted to review all new connections that affect the lift station and park line that Wasatch Peaks has built in conjunction with the District. Mr. Bostock and member Nielsen discussed this point, and member Nielsen reserved the right of review of incoming connections for the Sewer District Board, but did agree to language in the agreement that protects Wasatch Peaks' right to service capacity.
- Wasatch Peaks agreed to provide financial support to the District for the bore crossing as soon as the District acquired a permit for the project.
- Wasatch Peaks wants the opportunity to come to the table when the District is making decisions about bids and contractors that Wasatch Peaks also has a financial obligation to. This avoids any surprises or disagreements when the District submits bills to Wasatch Peaks for reimbursement.

Chairman Nance asked member Nielsen to send the final copy of the agreement to himself and member Coutts for review

Manager Wilkerson noted that Wasatch Peaks currently owes the District a little over \$62,000.

4) Fraud Risk Analysis Concurrence

After noting that improvements for next year could be discussed at a later meeting, Member Hill made a motion to accept the Fraud Risk Assessment as printed and reviewed in the Board meeting packet. Chairman Nance seconded. All in favor. Motion passed.

5) Audit 2020_Child Richards CPA

Cami Moss of the Child Richards CPA firm gave a summary of their independent audit. The District received an 'unmodified opinion' which is the highest level of approval that the CPA firm can give.

After some discussion and review of the report, Chairman Nance made a motion to accept the Child Richard audit report for 2020. Seconded by member Gray. All in favor. Motion passed.

6) Customer Discharge Limits

Manager Wilkerson would like the Board to review the ordinance on customer discharge limits and penalties for any violations. The Board made the decision to have Manager Wilkerson research and make recommendations at the next meeting. Manager Wilkerson noted that it is difficult to identify offenders.

7) Reports

Auditor: 17 homes delinquent in monthly fees.

Personnel: The personnel committee recommends the closure of the performance improvement plan for Manager Wilkerson. Member Coutts commented that it would be prudent to give Manager Wilkerson feedback on his performance on a regular basis or as deemed necessary.

Manager: The Manager is stepping out of his role as engineer at Spring Mountain Ranch.

8) Board New Business

- Manager to send excel file copy of the plant expansion calendar to the Board.
- Timeline for Frontier Estates

9) Motion to Adjourn

Motion to adjourn the meeting made by member Coutts. Chairman Nance seconded. All in favor. Meeting was adjourned at 9:15pm.

