

MOUNTAIN GREEN SEWER IMPROVEMENT DISTRICT
5455 West Old Highway Road, Mountain Green, Utah 84050
Minutes of the Board of Trustees Meeting
Wednesday, July 6, 2022 6:00 P.M.
UNAPPROVED

Board Members Present: (Chairman) Bill Coutts, Larry Nance, Zane Gray, Nathan Hill, Taylor Nielsen **Employees Present:** Jeremy Sorensen (Manager) **Guests Present:** Jared Anderson, Cami Moss, **Members of the Public:** None

A. Call to Order: Chairman Bill Coutts welcomed everyone present then called the July 6, 2022 meeting to order at 6:05 P.M. Meetings to continue via Zoom due to COVID-19.

B. Prayer: Zane Gray

C. Approval of Agenda: No member had objections to the agenda

D. Declaration of Conflicts of interest: None.

E. Approval of Minutes: *Member Nance made a motion to approve the minutes as written. Seconded by member Hill. All in favor. Motion passed.*

F. Public Comment: None

Agenda Items

1) Annual Audit Report Cami Moss with Child Richards

Cami Moss from Child Richards gave an overview of the annual audit to the Board. The Audit concluded that all financial statements were presented fairly in all material aspects. This is the highest rating that the auditor's office gives.

Member Nance asked Ms. Moss to send an updated depreciation schedule to the Board. He asked her to review the amount of money listed in the First Bank account. Member Nance also asked Ms. Moss to amend the amount listed for the ARPA grant.

Ms. Moss informed the board that next year there will be a single audit in addition to the regular annual audit due to the ARPA grant received from the state. Member Nance asked Ms. Moss to provide an estimated cost for the additional audit so that the amount can be planned and budgeted for next year. Mr. Anderson asked Ms. Moss whether the audit performed on the ARPA grant can be paid for with the ARPA funds. Ms. Moss said that she would need to verify with this particular grant, but that typically, that was the case.

Member Nance made a motion to approve the financial audit as presented by Auditor Moss (contingent on confirmation of the First Bank account balance and the ARPA grant amount), and authorized the manager to file the appropriate reports with the state. The motion was seconded by member Gray. All in favor. Motion passed.

2) Quarterly Financial Report

Member Hill, who is currently serving as the internal auditor for MGSID, gave the board an update on the budget for 2022. Some highlights from the report are as follows:

- Total assets equal the total liability and equity as it should.
- Interest income has increased due to the ARPA grant funds.
- Currently at 48% of total income for the year. On track for half-way through the year.

- Only 32% of the salary budget has been spent, partially due to not having a manager on staff for a month.
- Over budget for professional expenses due to lawyer fees.
- Construction income comes from ARPA funds, with another 7 million expected from the bond later in the year.

Member Gray asked about the lawyer expenses. Manager Sorenson reminded the board that the expenses arose from retaining a lobbyist to help attain ARPA funds, and also some legal services required for ongoing construction projects.

3) Appropriation of County ARPA Funds

Morgan county has currently appropriated \$400,000 to MGSID from the county ARPA funds. Mr. Anderson from the county commission said that there was a possibility of more appropriations in the future.

Member Hill asked if the District would need a separate PTIF account for these funds. Manager Sorenson said that there could be a sub account in QuickBooks but didn't think there would need to be a separate PTIF account.

4) Project updates Jared Anderson, Sunrise Engineering

The completed plans for the new plant have been submitted to the state for review. The plan set has been submitted to the County for review also. The plan set review has been completed by the contractor and specifications were sent to the state. Operation and maintenance plans were submitted to DWQ. The contractor assisted cost estimate is in process. The Board emphasized that completion of contractor bids would be better sooner than later. Mr. Anderson said that he anticipates having bids in by the October board meeting.

Chairman Coutts made a motion to accept the plans for the sewer plant upgrade as presented by Sunrise Engineering, and authorize them to move forward with the pre-qualification/pre-bid process. The motion was seconded by member Nielsen. Member Hill asked how the facilities committee felt about the 200-page plan produced by Sunrise. Member Nielsen said that he was excited to move forward with the project. All in favor of the motion. Motion passed.

5) Manager Update

a) Nix Construction: On the 27th of June Chairman Coutts delivered a letter to Stephanie and Jon Nix. They appreciated him bringing the letter. They were considering having MGSID reimburse sub-contractors for the work they had done on the Jack and Bore bids. The Chairman felt that the relationship with Nix at that point was cordial and good.

Member Gray made a motion to ratify the letter sent to Claude H Nix Construction Company, stating that MGSID will not be moving forward with the next phase of the CMGC contract. Member Nance seconded the motion. All in favor. Motion passed.

Mr. Anderson updated the board on how permits will be affected because of the change in CMGC. The Stream Alteration permit and the UP permit will not change. The UDOT permit goes directly through the contractor. Chairman Coutts asked Mr. Anderson to update Mr. Bostock about that via email, and to cc Manager Sorenson and Chairman Coutts.

c) Canyon View lift station: The bid documents are prepared and ready to be sent out for this project. There was some discussion about how the bid process would work and who would be involved.

Member Nance commented that the date on the bid documents needs to be changed to 2022. He also suggested that the penalty amount for contractors not fulfilling the terms is too small, considering the significant cost/risk of the project. Member Nielsen said that the penalty fee needs to correlate to actual potential risk of loss to the District should the project go over its expected completion date. He also suggested using a bonus amount as a positive incentive for early completion. Chairman Coutts asked Mr. Anderson to get back to the board with an appropriate amount for the penalty.

Member Nance made a motion to accept the bid documents as updated by Sunrise Engineering with dates and other administrative items, and with confirmation of the liquidated damages fee, and authorize Sunrise to send out invitations to bid on the Canyon View Commercial/WPR lift station.

All in favor of the motion. Motion passed.

d) Val Poll Quitclaim Deed: Mr. Val Poll has requested that the Quitclaim Deed which was previously agreed upon as part of the Canyon View Lift Station project be completed ahead of schedule because of a request received from Morgan County. Val Poll has agreed to increase the size of the construction easements to make access to the property easier. The functionality of the lift station and the timeline for construction will not be affected by the Quitclaim Deed. Val Poll would take ownership of the property sooner than previously agreed, and will provide easements to allow construction to continue as planned.

Member Nance was hesitant to allow the quitclaim deed to go through before the completion of the Canyon View lift station. Member Nielsen suggested that there should be some sort of operational agreement for the lifetime of the project before going through with the quitclaim. He said he didn't understand why the county was asking for that anyway.

Chairman Coutts felt that Paragraph 10 of the current agreement with Val Poll indicated that the property would remain under the maintenance of MGSID until the completion and operability of the Canyon View lift station, and that delaying the quitclaim deed was being overly conservative.

Member Hill and member Nielsen commented that Paragraph 10 was null and void if the quitclaim deed was awarded before completion of the Canyon View lift station and felt that a new agreement would need to be made.

Chairman Coutts noted that at the meeting that took place with Val Poll, Chairman Coutts, Mr. Anderson, and Manager Sorensen it was discussed that the chances of MGSID not going forward with the Canyon View lift station are nominal, and therefore, the risk in going forward with the quitclaim deed is also nominal.

Member Nielsen still felt that paragraph 10 should be amended to reflect the new agreement with Val Poll.

Member Nielsen made a motion to authorize the district manager to sign the quitclaim deed, contingent upon an operational agreement approved by the MGSID board and Mr. Poll, and signed by Chairman Coutts. All in favor. Motion passed.

e) The district does not currently accept credit cards. Manager Sorensen would like to be able to accept credit cards and is looking for companies that could serve that need for the district. The current company that Manager Sorensen is considering charges a fee to the user for credit card payments, but provides a payment option through direct deposit or debit card that does not

require a fee. Chairman Coutts suggested that MGSID inform the public via the website. There was some discussion about how to inform users. Information is still being gathered at this stage and no decisions were made.

6) Fee Working group

Chairman Coutts asked Jared Anderson for examples of impact fee analysis that they have done in the past. He would like Sunrise to complete an impact fee analysis pertaining to WPR and Snowbasin. The new analysis would not affect current users. There was some discussion about making sure the district charges users through property tax where applicable.

7) Board New Business

Member Nielsen's term is up at the end of 2022. Chairman Coutts asked member Gray to coordinate the election proceedings.

8) Motion to Adjourn

Motion to Adjourn was made by member Nance. Seconded by member Nielsen. All in favor. Motion passed.