

MOUNTAIN GREEN SEWER IMPROVEMENT DISTRICT
5455 West Old Highway Road, Mountain Green, Utah 84050
Minutes of the Board of Trustees Meeting
Wednesday, March 17, 2021 6:05 P.M. (special Meeting)
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, Marcus K

A. Call to Order: Chairman Larry Nance welcomed everyone present then called the March 17, 2021, meeting to order at 6:05 P.M.

B. Prayer: Member Coutts

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.

F. Public Comment: None

Agenda Items

1) Presentation of Financial Advisor _ Zion Bank Public Finance

Marcus K gave a presentation on Bonding as follows: A Government entity wanting to borrow money for a longer period of time than the calendar year is required by law to take out a bond which it then sells to borrow money for a capital project. The District becomes the issuer of the bond. The investors, e.g. the Division of Water Quality and Community Impact Board, give the District the proceeds from the sale of the Bond which the District uses to pay for the capital project while also making Bond payments to the investors.

He went over different types of Bonds. The District will be doing a Sewer Revenue Bond. The type of debt financing that the District will use is Direct Purchase. This option bypasses an underwriter and allows access to the investors directly. The interest rate on the bond repayment is fixed through the life of the bond.

Municipal debt is only legal beyond one calendar year under certain stipulations. The District can legally issue long-term bonds because it is secured by the sewer service enterprise fund.

The above options are the optimal choice for funding the District's CFP. If any of the above does not work out, then the financial advisor has other options that he will recommend and work through with the District through the end of the project.

Marcus presented a tentative timeline for preparation to issue bonds with an aim to close and delivery of funds by June 24, 2021.

2) Plant Expansion Funding Strategy

The Manager gave a brief explanation on what is required financially. The pressing need for funding is for the Canyon View lift station and work with the WPR development. He outlined the District's aim to apply for and obtain funding from the DWQ and the CIB.

Marcus K explained that any approved funding from DWQ would need to be disclosed to the CIB and vice-versa, and that the entities together would probably end up funding the project 50/50.

Chairman Nance asked who would be making the presentation to the Water Quality Board. Cliff Linford of Sunrise said that a man named Skyler Davies, a staff member for the DWQ will make the presentation on behalf of the District. The District board members and Manager can be there to answer questions for the Water Quality Board. Member Nielsen said that he can attend on behalf of the Board.

For the CIB meeting, Marcus suggested that Cliff from Sunrise, Manager Wilkerson and one Board member from the District should attend the meeting. Marcus will also attend and advise. The Chairman asked that Cliff make the presentation to the CIB and that member Nielsen also attend. Member Nielsen could not commit, but Member Coutts was able to commit as a back-up if member Nielsen could not be there. Chairman Nance is also available.

There was some discussion about what representation is needed at the CIB meeting with the conclusion that the above mentioned persons should suffice, and others consulted as necessary.

3) Bond Counsel

The District sent out 3 RFPs for potential bond counselors. Marcus of Zion's bank will make a recommendation based on responses he receives from those RFPs. The Board can then make a final decision. He did emphasize that the Board needs to have chosen a bond counsel before the meeting with the DWQ.

The Manager asked the Board to authorize the Manager, member Coutts and Marcus to make a decision about which bond counsel to appoint without Board consensus. The Chairman agreed that this would be the best course of action, especially considering time constraints.

Member Coutts made a motion that the Board authorize Manager Wilkerson and Member Coutts, with the counsel of Marcus K, to select and appoint a bond counsel for the District. Chairman Nance seconded. All in favor. Motion passed.

4) Wasatch Peaks Ranch

Member Nielsen made a motion to go into a closed session to discuss real estate transactions pertinent to the district. The Motion was seconded by Chairman Nance. All in favor. Motion passed.

Member Nielsen made a motion to go back into open session. Chairman Nance seconded the motion. All in favor. Motion passed. No official decisions were made during the closed session.

Member Nielsen recommended that the Board move forward with Sunrise Engineering to help with permitting for the line that would cross from the potential new lift station South to Wasatch Peaks' property. Also, He recommended that the Board continue to allow the facilities committee to work on the memorandum of understanding with Wasatch Peaks. He further recommended that the Board approve the funding for the pressure line and allow the contractor already on the Poll site to install that.

Chairman Nance asked whether the District should get another bid for the installation of the pressure line. Both Cliff Linford and the Manager felt that the best option would be to work with the contractor who is currently working on the site.

The Chairman clarified that Sunrise engineering would be doing the design work.

Member Nielsen made a motion that the Board approve Sunrise to work on permitting for the line that will cross from the potential new lift station over to Wasatch Peaks' property; to continue working with Wasatch Peaks on a memorandum of Understanding for the lift station, pressure line, and park line; to approve the funding for the pressure line, and allow the contractor currently working on site with the Poll development to install that; to get a bid from Poll's contractor to install what is called the park line. Chairman Nance seconded the motion.

Member Hill asked whether the District is obligated legally to get more than one bid on the pressure line and park line. Jared Anderson from Sunrise said that a "Sole Source" document could be filled out by the Manager with applicable reasoning for choosing the contractor on the Poll Site, in place of getting multiple bids. The Chairman noted that he had thought about this and decided that, especially from a liability stand-point, that it was in the District's best interest to not have it's own contractor trying to work on the same site as another contractor.

All in favor of the motion. Motion passed.

5) New Business

- The Chairman asked the personnel committee to review with the Manager his performance for the 1st quarter, citing some miscommunications and reports that had been delivered incorrectly. He asked that they report back to the Board for the next month's meeting.
- Chairman Nance asked the Manager to report back to the Board for the April meeting about infiltration.

6) Motion to Adjourn

Member Hill made a motion to adjourn. Seconded by member Gray. All in favor. Motion passed.