

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

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

A. Call to Order: Chairman Bill Coutts welcomed everyone present then called the March 2, 2022 meeting to order at 6:05 P.M. Meetings to continue via Zoom for the time being.

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 Gray made a motion to approve the minutes as written. Seconded by member Nance. All in favor. Motion passed.

F. Public Comment: None

Agenda Items

1) Master Resolution 2022-02

This resolution provides for the issuance of sewer revenue. It has been available to the public. It was presented in the March 2022 board meeting. Member Hill made a motion to approve Master Resolution 2022-02. The motion was seconded by member Nance. All in favor. Motion passed.

2) Final Version of Supplemental Resolution 2022-03

This supplemental resolution provides for the issuance and sale of up to \$7 million in sewer revenue bonds. It was available from March 30th. A motion was made to approve Supplemental Resolution 2022-3 by member Nance. Seconded by member Gray. Member Hill noted for the record all the hard work that Mr Ryan Bjerke did on the resolution and his ability and willingness to thoroughly answer all questions from board members. All in favor. Motion passed.

3) Status Update for DWQ Closing. Calendar provided by Marcus Keller

After the passing of resolution 2022-02 and supplemental resolution 2022-03 which outline the agreement with DWQ, Ryan Bjerke will prepare the remaining legal documents. Those will be delivered by April 14th to be reviewed and signed by board members and returned to Mr. Bjerke by the 25th so that he can have a final copy ready for closing on April 28th.

The fact that the final bid on the project has not been received makes this closing unique. The funding will be restricted to the cost of the issuance of the bonds only. They will be in a PTIF escrow account. Once final bids are received, the CIB bond will close. When there is adequate funding in the escrow account then the money will become unrestricted and available for use on capital projects.

Chairman Coutts asked Mr. Keller whether Sunrise Engineering has a calendar of things that they are responsible for on this particular timeline. Jared Anderson confirmed that they do. Mr. Keller confirmed that everything was being taken care of as necessary and he acknowledged the DWQ's willingness to make some exceptions for MGSID's circumstance of needing to close prior to having final bids in. He anticipated that the funds would sit in escrow for about 3 months. He noted that MGSID would only pay interest on money that they draw down and use, and not the full amount of the bond all at once.

4) ARPA State Funding Update

Jared Anderson gave an update on behalf of Kerry Gibson about state ARPA funding. They are still expecting an announcement to be made in April about the final amount appropriated to the District.

5) County ARPA Funding Update

County commissioners are going to meet to discuss funding and approve funds, hopefully, by the end of April.

6) Project Updates

The cost estimate new lift station received from Whittaker is \$927,610.00. That's a 30% savings on the \$1.5 million estimate received from Nix. They have said that they would begin work on the lift station in June and aim to finish in late fall.

A generator that is needed for the lift station will take 10 months to arrive. Manager Sorensen and Mr. Anderson have discussed, and think it's possible, to use an existing generator in the meantime. It's a generator at the old headworks that is rarely used.

Member Nance asked if Wasatch Peaks was in agreement with hiring Whittaker for the lift station and bore hole construction. He noted that it would be good for Mr. Anderson to get their approval in writing since they hold the major financial obligation on that portion of the project.

Member Nielsen made a motion to approve and sign the Whittaker construction bid for \$927,610.00 so that they can start on construction. Seconded by member Gray. Member Hill asked if Mr. Anderson was confident that Whittaker would provide quality work given the fact that their bid came in 30% lower than Nix. Mr. Anderson said that Whittaker Construction has many years of experience and have done many jobs of a similar size and scope. He felt confident that they would do quality work as promised. Member Nielsen noted that he has past experience working with Whittaker and that he was also confident in their quality of work. All in favor. Motion passed.

Member Nielsen made a motion to sign the CMGC agreement 2022-2 with Sunrise Engineering. Member Nance seconded. All in favor. Motion passed.

7) Expansion Project Updates

Plant design is on schedule to be 100% complete on May 31st. Estimated date for project bids is August 2022, and estimated start date is December 2022.

Mr. Anderson also noted that Snowbasin is in discussions with UDOT about bringing sewer lines down Trappers Loop. The discussions seem to be going favorably.

7) Manager Quarterly Update

The budget outgoing versus expected is on point. The Auditor's report had no issues. As long as the plant is completed by January 2024 when Snowbasin is expected to connect, there will be no issues with capacity. Manager Sorenson is working on the impact fees spreadsheet.

It was noted that inflation is higher and growth in the community lower than was previously projected in Sunrise's cash flow analysis. Member Hill noted that the cash flow analysis also doesn't include the \$ 3 million in ARPA funds that MGSID received. Chairman Coutts agreed that the actual cash flow needed to be monitored closely.

The approved fee schedule has been put on the website. All necessary filings are completed.

Member Nance made a motion to approve the Water Quality Report and submit it to the State. Member Hill seconded. All in favor. Motion passed.

8) In-Person Meetings

Member Gray has had some comments from the community about making the sewer district board meetings more accessible to the public. He wanted to discuss the feasibility of holding meetings in person at the district office.

A combination of in-person and electronic attendance at board meetings was suggested by Chairman Coutts. He thought it was worth testing the possibility. He wanted to delay a decision to the May board meeting to give time for testing attempts.

Member Nance made the comment that the Zoom meetings had been very successful and that they allow many people with challenging schedules and in different locations to attend.

Member Gray felt the best course of action would be to continue Zoom meetings. Other board members were in agreement.

9) Bylaws Update

Member Nance made a motion to amend the bylaws as posted in the agenda, item number 9. Member Hill seconded. All in favor. Motion passed.

10) Fee Working Group

Chairman Coutts said that in the past fees have been calculated according to the capital facilities plan. He suggested that going forward fees should include the risk associated with certain scenarios such as a lift station, distance from the sewer plant, low pressure systems etc.

He suggested putting together a work group consisting of the manager, a community member, someone from Sunrise Engineering, and a board member or two. The work group would come up with a new fee schedule and present their findings to the board for approval. Chairman Coutts suggested Shawn York since he has come with concerns to prior board meetings.

Member Hill asked if the fees included for discussion would be just the monthly user fee or if they would include impact fees and others. Chairman Coutts said it should be comprehensive.

Member Hill is not a fan of including a member of the community since there could be concerns about who in the community is chosen and why, and what the backlash might be if the community member doesn't agree with the decisions that are made. His suggestion was that the working committee consist of the manager, one board member from the facilities committee, one member from the finance committee, and someone from Sunrise Engineering.

Member Nance agreed with member Hill. He also noted that impact fees have to be determined by an analysis by Sunrise, so the community can't really comment on that anyway.

Member Nielsen said that Sunrise Engineering is working on an impact fee analysis for Wasatch Peaks.

Member Nielsen asked what the main goal of the fee work group would be. Chairman Coutts said that the goal would be to look at all the factors associated with risk and cost of operating and maintaining the sewer lines and make sure that the fees charged to each home or developer reflect the differences in risk and use associated with that home or development such as, location, distance, and special infrastructure. Member Nielsen noted that that might mean making special districts or special assessments.

Chairman Coutts suggested also involving Mark Anderson as legal advisor.

Member Hill made a motion to create a Fee Working Group consisting of someone from Sunrise Engineering, Manager Sorenson, a board member on the facilities committee, and a board member on the finance committee. Member Gray seconded. All in favor. Motion passed.

11) Inspection Fee

It is proposed that language be added to the current policy that allows the District to hire a 3rd party inspector and pass the cost of the inspections onto the developer.

Member Hill wanted to know what particular construction the document was referring to, and how the inspectors would report the results of their inspection to the management of MGISD. Member Nielsen noted that there was a section added for field inspection. Member Hill wanted the language to be more specific about what kind of construction is being inspected. New construction is the primary concern. Sunrise will attend contractor meetings, pre-construction meetings, or other upon client request. Member Nielsen said that the additional help or 3rd party help is needed primarily for new construction. Repairs and other inspections do not require a 3rd party.

Member Nielsen made a motion to approve an inspection fee as presented, and include that verbiage for permits for the construction going on currently in the district. Member Nance seconded. All in favor. Motion passed.

Member Nielsen made a motion to approve work order 2022-3 with Sunrise Engineering for inspection services. Member Nance seconded. Motion passed.

12) Board New Business

Member Nance asked Mr. Anderson when the CFP for Wasatch Peaks would be finished. Mr. Anderson said he would get it for him.

Member Hill noted that only \$2.85 million was deposited of the \$3 million in State ARPA funds because the State withholds 5% to ensure that the funds are being used properly and that the project is being done in a timely manner.

Member Nance asked whether the website posting will be discussed at the next meeting. Chairman Coutts said that just the FAQs could be updated if Manager Sorenson got approval from all the board members.

Chairman Coutts asked the board for any feedback considering he has been working as chair for 3 months.

13) Motion to Adjourn was made by member Nance. Seconded by member Gray. All in favor. Motion passed.