

MOUNTAIN GREEN SEWER IMPROVEMENT DISTRICT
5455 West Old Highway Road, Mountain Green, Utah 84050
Minutes of the Board of Trustees Meeting
Wednesday, March 1, 2023 6:00 P.M.
APPROVED

Board Members Present: Chairman Coutts, Zane Gray, Nathan Hill, Larry Nance and Taylor Nielsen. **Employees Present:** Jeremy Sorensen (Manager), Nate Hadley. **Guests Present:** Jared Anderson, Marcus Keller

A. Call to Order: Chairman Coutts welcomed everyone present then called the March 1, 2023 board meeting to order at 6:02 pm.

B. Prayer: Zane Gray

C. Approval of Agenda: approved.

D. Declaration of Conflicts of interest: None.

E. Approval of Minutes:

Member Gray made a motion to approve the minutes as recorded. Seconded by member Hill. All in favor. Motion passed.

F. Public Comment: None.

1) Public Hearing:

Member Hill made a motion to recess the board meeting and go into a public hearing regarding the issuance of \$24,000,000 in sewer Revenue Bonds. Member Nance seconded. All in favor. Motion passed.

Chairman Coutts listed the primary reasons that the sewer district needs to do the expansion project as

1. The State of Utah has notified Mountain Green Sewer that it is over the phosphorus limits as mandated by the State, and given a deadline to meet their requirements by January, 2026.
2. To be prepared to meet the needs of Mountain Green's growing community.

No public comment was made.

Member Nance made a motion to close the public hearing regarding the issuance of sewer Revenue Bonds and resume the regular board meeting. Member Nielsen seconded. All in favor. Motion passed.

Agenda Items

2) Facilities Committee

Jared Anderson of Sunrise Engineering presented two round 2 bids for the expansion project. Bids from round 1 came in at about \$26,000,000 and \$34,000,000 respectively. The bids

received this round were COP Construction at \$22,975,108 and VanCon at \$25,482,000. Value engineering had been accomplished on the project plans and the low bid came in \$3,000,000 below the lowest round 1 bid. The COP Construction bid was presented for board approval.

Member Hill asked if any information was known about the reputation of COP construction. Mr. Anderson was able to provide positive feedback based on experience with the company and feedback from other companies that COP has worked for. Member Nielsen added that their performance had improved lately.

The finish date is scheduled for the end of 2024. A pay application will be submitted by the contractor every 30 days. The start date could be as soon as 3-4 weeks from the date of this board meeting. Member Nance asked that the awardee provide a payment schedule. Other members of the board said that would be provided.

Member Gray made a motion to accept the bid from COP Construction based on the recommendation of Sunrise Engineering, assuming adequate funding. Member Hill seconded. All in favor. Motion passed.

Markus Keller discussed the upcoming CIB board meeting. The common consent is that there isn't a lot of money available for supplemental financing at this time. There may be more available in future, and there are other options. The project can be phased as necessary or private funding can be procured. Mr. Keller reviewed a cash flow model which showed the District's Net Revenue available for debt service and the debt coverage ratio. Less impact fees, the debt coverage ratio is not ideal and may concern private investors. The District is required to keep a debt ratio coverage of 1.25% which may require raising user rates if development does not occur at the projected rates. Mr. Keller wanted to be clear about the risk involved with relying heavily on impact fees. He suggested that a pre-emptive rate increase be approved by the board. The board may not decide to actually raise rates, but the pre-approval will serve to bolster the confidence of private investors. Mr. Keller emphasized that the district is in a difficult phase growing from a small district to a larger one. The required facility expansion has put a lot of financial pressure on the district. The board has done a lot of good work to bring on new developments that will offset the risk of financing the expansion, and lower the possible need for rate increases. More information will be forthcoming with the results of the fee working group and the results of the CIB meeting. Chair Coutts stated he was not in favor of pre-emptive rate increase until the CIB funding is known.

Manager Sorensen gave the board an update on the current status of what has been spent on the expansion project and what funds are available. Chair Coutts asked Manager Sorensen to arrange a meeting with the vice chair and the facilities committee to discuss whether a possible bid process for construction management is needed.

Jared Anderson gave an update on the progress for the Canyon View lift station. One of the pressure lines is being assessed and corrected currently. They anticipate the completion date to be the 1st week of June.

The WPR bore project has been hammered through to 140 ft so far. There is a planned week of 24/7 work. Everything is looking good so far. The colder temperatures are helping the process since the Weber River has not increased water flow.

Manager Sorensen gave the board an update on the new management asset plan. It is based on Snyderville Basin's asset management plan and edited for MGSID specifics. The chairman

and member Nielsen have reviewed the document and made edits.

Member Nance made a motion to approve the new asset management plan as proposed by Manager Sorensen. Seconded by member Hill. All in favor. Motion passed.

3) Will Serve Requests

Blair Gardner submitted a Will Serve request for 69 units for The Peaks, a development of townhomes.

Chairman Coutts asked Manager Sorensen to bring a report to the April board meeting about how many will serve and standby fees are actually in effect.

Member Hill made a motion to approve 69 ERUs for The Peaks. Seconded by member Nielsen. All in favor. Motion passed.

4) Fee Working Group

The impact fee analysis and the user fee for Wasatch Peaks are still in process. User fees are assessed based on varying levels of operation and maintenance expenses for the district such as lift stations, distance from the plant, and low pressure systems. User fees are expected to vary for Snowbasin, Wasatch Peaks and others with similar issues. A full report is expected in April.

Member Nance has become aware of users who are paying rates from years past and not the current rate. Member Nance suggested that those users need to be assessed with late fees. Chair Coutts asked member Nance and the finance committee to present a recommended policy that deals with this problem for the April board meeting.

5) Human Resources and Personnel Committee

Member Gray has recommended a change for the employee handbook. The words “uncomfortable” and “include, but not limited to” will be removed. Change “refer” to “Insure” in section 5.

Member Nance made a motion to accept the changes made to the employee handbook as amended. Seconded by member Gray. All in favor. Motion passed.

Member Gray proposed for Manager Sorensen to receive a performance bonus. Performance goals are being set for 2023.

Member Nance made a motion to pay Manager Sorensen a 4% 2022 performance bonus based on the HR committee’s recommendations. Member Nielsen seconded. All in favor. Motion passed.

6) Finance Committee

The Bylaws have been updated with verbiage for funds management, including time constraints for depositing checks, weekly checking account transfers and payables not being paid too early.

Member Gray made a motion to adopt changes to the Bylaws as proposed by the finance committee. Seconded by member Nance. All in favor. Motion passed.

7) Executive Committee

Member Nance emphasized the importance of keeping abreast of all the finances, what has been spent and what is owed at what time. With the expansion project happening there are a lot of moving pieces.

8) Board New Business

- 2023 Election update (on the agenda for April)

9) Motion to Adjourn made by Member Nielsen. Seconded by member Nance. All in favor. Meeting adjourned at 7:58 pm.

I move to accept the March 1, 2023 meeting minutes as presented

Motion - Nance

2nd - Hill

<i>Chairman Coutts</i>	<i>Yay</i> <u> <i>x</i> </u>	<i>Nay</i> <u> </u>
<i>Vice-Chair Nance</i>	<i>Yay</i> <u> <i>x</i> </u>	<i>Nay</i> <u> </u>
<i>Member Gray</i>	<i>Yay</i> <u> <i>x</i> </u>	<i>Nay</i> <u> </u>
<i>Member Hill</i>	<i>Yay</i> <u> <i>x</i> </u>	<i>Nay</i> <u> </u>
<i>Member Nielsen</i>	<i>Yay</i> <u> </u>	<i>Nay</i> <u> </u> <i>Absent</i> <u> <i>x</i> </u>