

MOUNTAIN GREEN SEWER IMPROVEMENT DISTRICT

5455 West Old Highway Road, Mountain Green, Utah

**Minutes of the Board of Trustees
Wednesday, May 1, 2024, 6:00 PM
APPROVED**

Board Members Present: Chairman Coutts, Vice-Chair Hill, Member Willardson, Member Earley, Member Nielsen (arrived late)

Employees Present: Manager Sorensen, Brittany Wayman

Guests Present: Dean Saunders, Jared Andersen (Sunrise Engineering/County Commissioner)-arrived late

- A. **Call to Order:** Chairman Coutts called the meeting to order at 6:02 pm.
- B. **Prayer:** Vice-Chair Hill
- C. **Agenda:** Vice-Chair Hill recommended changing Agenda Item 1, iii to the top so that Mr. Saunders can leave if he chooses. Chairman Coutts asked the Board to be prepared to discuss Agenda Item 2 if Jared Andersen was still absent.
- D. **Declaration of Conflict of Interest:** None declared
- E. **Approval of Minutes:**

Board members made recommendations to the minutes and the draft minutes were amended.

A motion was made to approve the April 10, 2024 minutes as amended

Motion - Vice-Chair Hill

2nd – Member Earley

Trustees Voting	Aye	Nay	Absent	Abstain
Chairman Coutts	X			
Vice Chair Hill	X			
Member Willardson	X			
Member Nielsen			X	
Member Earley	X			

Motion passed

F. Public Comment Period: None

AGENDA

1. Facilities Committee: Jared apologized for being late. He was at an open house with UDOT on a new I-84 exit. He also made certain that they were aware of MGSID's 21-inch sewer line under the proposed road.

i. Plant Expansion

I. Progress, RFIs and materials, schedule and cost scheduled vs actuals, and Challenges - Jared Andersen gave an update regarding construction. There were 15 major milestones and only 5 were completed. He has met with COP and asked them to be more realistic when setting goals for the milestones every month. Jared has received the start of a critical path summary from COP and he sent back his response.

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There are some hairline cracks, with slight leaking in the clarifiers. It should seal up within 5 days and pass inspection.

Chairman Coutts made the comment to Jared that as long as work accomplished are staying within 4% of where we're supposed to be and on budget, he's happy. Member Willardson asked if SCADA needs approval to move forward. Manager Sorensen answered in the affirmative.

- II. *Project payments and Change Orders*** - *Jared suggested adding the contingency that we need the critical path schedule from COP within 7 business days to the next payment. Vice-Chair Hill asked if this is the first payment that has zero for retainage fee. Manager Sorensen answered in the affirmative. Some discussion about what happens if we don't receive the critical path before the 7-day deadline. Member Willardson asked if we should have had the critical path schedule 8 months ago. It was responded that we had one, but it needed to be updated. Chairman Coutts stated COP had been doing well and leaning forward on the project, and he expected to receive the critical path document within the timeframe allotted. If we do not, then we will withhold the 5% retainage fee in a new check.*

A motion was made to approve payment to COP Construction in the amount of \$679,703.86 contingent on getting critical path schedule from COP reviewed and accepted by the manager within 7 business days or we will withhold 5% retainage from existing pay application of \$679,703.86.

Motion - Member Nielsen

2nd – Member Willardson

<i>Trustees Voting</i>	<i>Aye</i>	<i>Nay</i>	<i>Absent</i>	<i>Abstain</i>
<i>Chairman Coutts</i>	X			
<i>Vice Chair Hill</i>	X			
<i>Member Willardson</i>	X			
<i>Member Nielsen</i>	X			
<i>Member Earley</i>	X			

Motion passed

Jared explained change order #14 (Credit for not installing a coating, and charge to add floor coating in the plant operations building). Much discussion about this change order and if the concrete sealant is needed. There are several places on the floor of the plant operations building that will benefit from being a coating, so that amount was deducted from the credit. The deduction from the original bid price from COP will be \$121,000.

A motion was made to approve a credit from COP Construction in the amount of \$121,000 (159,000-38,000 = 121,000) for Change order #14 Clarifier, Digester, and Floor Coatings.

Motion - Member Willardson

2nd – Member Nielsen

<i>Trustees Voting</i>	<i>Aye</i>	<i>Nay</i>	<i>Absent</i>	<i>Abstain</i>
<i>Chairman Coutts</i>	x			
<i>Vice Chair Hill</i>	x			
<i>Member Willardson</i>	x			

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<i>Member Nielsen</i>	<i>x</i>		
<i>Member Earley</i>	<i>x</i>		

Motion passed

III. Highlands Water Company (HWC) Loop Agreement - *Manager Sorensen received a draft contract from HWC and he and the facilities committee will review it and send it back to them. COP is working on an estimate to install the entire 8-inch water loop line. Chairman Coutts gave a brief review of his meeting with Highlands Water Company regarding the agreement. In this meeting, they basically agreed to an 8-inch water line loop and a restricted easement for HWC. MGSID will pay for the water line in full and it will be for 1 ERU. HWC wants to put a T on the water line, and they would pay for that. HWC is willing to pay \$25k for the loop so they can have future access to the line. Member Willardson asked if HWC understood that \$25k was much less than 1/2 the cost for the loop. Chairman Coutts responded that we got a rough draft agreement and will do a counter-offer if we need to. Hopefully we'll come to an agreement and will get it in the packet the week before June's board meeting. Member Earley asked for clarification on what we were agreeing to for the \$25k. Chairman Coutts explained that HWC is offering the \$25k if they connect to the line in the future to assist in the costs relating to MGSID's investment in the line. HWC would also pay 100% of the T-line installation, if we decide to allow them to put it in. He also said that once we get a firm estimate, we'll know how much we expect HWC to pay. Vice-Chair Hill asked about the restricted easement and Chairman Coutts said HWC would need to get access through the MGSID manager to do maintenance on their water pipe. Vice-Chair Hill also asked if the sewer line was the required 10 feet away from the water line. Chairman Coutts answered that Sunrise found a way to do it.*

IV. ARPA Funding (State and County) Updates - *Jared gave an update that the paperwork would be sent for the grant tomorrow. Jared said it would be sent to Jim Grover and Michael Hall and would copy Chairman Coutts and Manager Sorensen on it as well. Vice-Chair Hill asked if Jared could stress the timeline of action completed by the end of June in his email and Jared responded that he would. Commissioner Jared told the Board that at the last county commission meeting, they approved 2 of the list of appropriations, and he thought that the board would approve the \$300K for MGSID very soon. He stated he would check in with the county commissioner board and see if he could hurry the process along.*

ii. Canyon View and Monte Verde Lift Stations - *Chairman Coutts asked if everything was up and running for the Canyon View lift station. Manager Sorensen answered that it was. Manager Sorensen is working with Whittaker Construction to get everything associated with the dismantling and removal of the Monte Verde lift station. Manager Sorensen has started the Rocky Mountain Power rebate process.*

I. Canyon View lift station SKM SCADA Proposal - *Manager Sorensen got a bid for SCADA which will tie into WPR's system and the new plant. Manager Sorensen explained that 70% will be paid by WPR as it's*

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specifically for their lift station. Vice-Chair Hill asked if there was a verbal agreement. Manager Sorensen said there was a verbal agreement yesterday.

A motion was made to accept the proposal from SKM for SCADA at the Canyon View Lift Station in an amount not to exceed \$22,898.00

Motion - Member Hill

2nd – Member Willardson

<i>Trustees Voting</i>	<i>Aye</i>	<i>Nay</i>	<i>Absent</i>	<i>Abstain</i>
<i>Chairman Coutts</i>	<i>X</i>			
<i>Vice Chair Hill</i>	<i>X</i>			
<i>Member Willardson</i>	<i>X</i>			
<i>Member Nielsen</i>	<i>X</i>			
<i>Member Earley</i>	<i>X</i>			

Motion passed

- iii. ***Annexation Resolution MAS LLC (Saunders)-*** *(This agenda item was moved to the beginning of the meeting). Manager Sorensen recommended moving forward with the annexation of this property as no public comments have been received to the contrary and a septic tank is not an option with regular flooding issues. Dean Saunders clarified that WPR has agreed to pay any impact/connection fees for them. Chairman Coutts asked if there was a written agreement between the MAS LLC party and WPR. Dean responded in the affirmative. Dean informed the Board that it is important to WPR that MAS LLC annex into MGSID as it will benefit WPR in the long term. Dean anticipates 3 toilets on the women’s side and 2 toilets on the men’s side. It will be used during the summer and fall, and sinks are also available. Member Willardson asked if it was already connected to the sewer by WPR and Dean said he didn’t believe so.*

A motion was made to adopt resolution 2024-05-01 to Annex the MAS, LLC Property

Motion - Member Willardson

2nd – Vice-Chair Hill

<i>Trustees Voting</i>	<i>Aye</i>	<i>Nay</i>	<i>Absent</i>	<i>Abstain</i>
<i>Chairman Coutts</i>	<i>X</i>			
<i>Vice Chair Hill</i>	<i>X</i>			
<i>Member Willardson</i>	<i>X</i>			
<i>Member Nielsen</i>			<i>X</i>	
<i>Member Earley</i>	<i>X</i>			

Motion passed

2. Finance Committee

- i. ***Annual Internal Audit Report -*** *Vice-Chair Hill gave an update on the first quarter for 2024. The balances are low in our noninterest-bearing accounts to keep the most money possible in our interest bearing accounts. There’s \$2.5 million less in our*

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accounts than last quarter due to the construction costs. We earned over \$202,000 in interest in the last quarter. We have \$3 million remaining from the Department of Water Quality Bond. We track some of the smaller checks so that we can make decisions in the future for those vendors. We've taken in \$212,000 in Impact fees so far in 2024 which is 25% higher than we anticipated. There are 22 delinquent accounts (customers who haven't paid in 6 months or longer). Every month we charge a late fee. Member Willardson asked if we had been paid from the county for the delinquent accounts posted last September. Vice-Chair Hill responded that we had. Chairman Coutts pointed out that 22 delinquent accounts out of 1,247 isn't a very high percentage. Vice-Chair Hill pointed out that our Rocky Mountain Power bill increased from \$2,000 – to roughly \$9,000, due to water pumps that are running. Manager Sorensen responded that we invoice the excess charges to COP. Chairman Coutts asked if there was any way to know how much the diesel bill was and Manager Sorensen answered that it was roughly 500 gallons every other day. Vice-Chair Hill asked if there were any other questions. Member Earley asked for clarification that we're billing COP the \$7,000 extra we're being charged by Rocky Mountain Power, which Manager Sorensen answered in the affirmative. Vice-Chair Hill explained the color coding on the charts. Next, Vice-Chair Hill explained that we're still waiting to receive \$1.6 million in ARPA funds from the state including \$300,000 from the county and another \$300,000 from the state. He asked Manager Sorensen if any of that money had shown up in the last month. Manager Sorensen answered that it had not. Vice-Chair Hill requested that about a month after the quarterly reports (in the future), Manager Sorensen give a report on the construction costs to track over time. Chairman Coutts thought it was a great idea. Vice-Chair Hill added that all of the reports were up to date and the auditor would be coming next Wednesday to begin the annual audit. Manager Sorensen has a list of documents that the auditor needs which he'll start working on, on Monday. Vice-Chair Hill asked if it was the same auditor as last year. Manager Sorensen answered in the affirmative. Chairman Coutts asked if there were any other questions on finances or the reports.

- ii. **Quarterly Financial Report** - Manager Sorensen gave a brief description of our quarterly report. Our interest income is higher than expected and the development income is lower than expected, most likely due to construction slowing in the winter months. Vice-Chair Hill pointed out that the monthly service fees are 25% of what we expect for the whole year so they're right on target. Manager Sorensen pointed out that the new lift station was entered wrong on the budget sheet and needs to be moved to the Monte Verde Lift Station category. Manager Sorensen will also add in the depreciation so that it's automatically calculated. Member Willardson asked if the depreciation goes into an account that builds up. Manager Sorensen explained that we pull from it all year. He also explained the income expected from Wasatch Peaks and Snowbasin. Member Willardson asked if we'd seen/heard anything from Kerry (Gibson-Legislative Solutions) about the state grant. Manager Sorensen talked to Kerry Gibson today and he's following up with it. Chairman Coutts commented that we're expecting that to be paid in July. Member Willardson asked if we'll need to do a budget amendment and he was answered in the affirmative. Vice-Chair Hill asked for a timeline as bills are needing to be paid soon. Manager Sorensen discussed with Jared about providing the paperwork proving MGSID has paid the match for the county to release the funds. Chairman Coutts said that we've provided the MOU which they

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requested. Member Earley asked if they have the money now. Chairman Coutts answered they don't. The county attorney is making sure everything is done. Manager Sorensen mentioned that we haven't paid for any equipment yet but we will be needing to pay soon as they are starting to be shipped to us. Member Willardson asked if MGSID was buying the equipment directly. Manager Sorensen explained that MGSID started buying equipment back in 2020 because they (previous manager and previous board) were worried about supply chain issues. Member Earley asked why the SCADA expense didn't match the SCADA proposal in the board packet. Manager Sorensen explained that the proposal is for the lift station and this expense was for the plant.

3. **Manager Discussion**

- i. **May Bond Payment** - Manager Sorensen updated the Board that payments were due yesterday, and they were mailed off on Monday. The amounts due were:
 - I. **DWQ \$31,306.84**
 - II. **CIB \$ 290,111.12**
- ii. **MGSID Annual Audit status** - The audit will begin on Wednesday, and we'll start getting the paperwork ready on Monday. Vice-Chair Hill asked for an update on the letter to the Morgan County Airport and Scotsman Center. Manager Sorensen responded that he's starting to work on it and Chairman Coutts will look over it and we'll have it sent out by June.1. Chairman Coutts asked for an update on selling the surplus equipment. Manager Sorensen will sell the older generator once the construction is done, the generator currently located by the office will be available for sale shortly. Chairman Coutts also asked if Snowbasin has paid MGSID for the 60 standby fees and the 60 will-serve fees. Manager Sorensen will follow up with them as we haven't received it yet. Chairman Coutts asked if there was an update on the MOU we sent to the county. Manager Sorensen said Jared Andersen is working on it. Chairman Coutts asked Manager Sorensen to provide the board a list of prioritized documents with estimated completion dates at the next board meeting. Manager Sorensen will work with Member Earley to update the employee handbook.

4. **HR Committee**

- i. **Plant Operator Job Description** - Member Earley gave the Board an update on the job description she's been working on. The only part she has left to finalize is pay and benefits. She and Manager Sorensen are looking at other packages offered by utility companies. The details don't need to be in the posting except a general statement. Chairman Coutts asked if there was someone at the state we could call. Member Willardson explained how they put together packages at his previous employment. Manager Sorensen will ask Mark Anderson. Jared will get the HR contact info for the county and will ask about jumping on another county plan. The plan is to post the job in July. Member Willardson asked about certification required if the plant manager takes vacation. Manager Sorensen said he will look into the state's requirements for response time and certification required on-site. There were several minutes of discussion regarding what would be required for response time.

5. **Executive Committee – Chairman Coutts**

- i. **WPR Agreement Status** - Chairman Coutts gave an update on the WPR agreement. Nate Bell and Vance Bostock from WPR met yesterday with Member Willardson and Manager Sorensen as well as Chairman Coutts. They agreed to edits to the draft agreement. Vance will oversee the incorporation of the edits and send it back. Sunrise will then have the opportunity to review it. Once everyone is in agreement,

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we'll give the Board a week to review. If all goes well this will be on the agenda for the June 5, board meeting.

- 6. Closed Session to discuss pending litigation, property purchase or personnel - None**
- 7. Board New Business- None**
- 8. Motion to Adjourn**

A motion was made to adjourn at 7:41PM

Motion - Member Earley

2nd – Member Hill

<i>Trustees Voting</i>	<i>Aye</i>	<i>Nay</i>	<i>Absent</i>	<i>Abstain</i>
<i>Chairman Coutts</i>	<i>X</i>			
<i>Vice Chair Hill</i>	<i>X</i>			
<i>Member Willardson</i>	<i>X</i>			
<i>Member Nielsen</i>	<i>X</i>			
<i>Member Earley</i>	<i>X</i>			

Motion passed

Meeting adjourned at 7:42pm.

A motion was made to approve the May 1, 2024 minutes as Amended

Motion – Member Willardson

2nd – Member Earley

<u>Trustees Voting</u>	<u>Aye</u>	<u>Nay</u>	<u>Absent</u>	<u>Abstain</u>
<u>Chairman Coutts</u>	<u>x</u>			
<u>Vice Chair Hill</u>			<u>x</u>	
<u>Member Willardson</u>	<u>x</u>			
<u>Member Nielsen</u>			<u>x</u>	
<u>Member Earley</u>	<u>x</u>			

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Common Acronyms:

- ARPA – Grant request – American Rescue Plan Act
- BNR – Biological Nutrient Reactor – our proposed treatment process
- CFP - Capital Facilities Plan
- CIB – Community Impact Board
- COE – Calendar of Events
- CMGC – Construction Manager / General Contractor (hire the General first)
- DEQ – Division of Environmental Quality
- DWQ – Department of Water Quality
- DMR – Discharge Monitoring Report (plant performance to the State for the EPA)
- ECD – Estimated Completion Date
- ERU – Equivalent Residential Units – same as one house
- FOG – Fats, oil, grease
- HWC – Highlands Water Company
- I & I – Inflow and Infiltration – water entering our system that isn't supposed to
- MOA – Memorandum of Agreement
- MOU – Memorandum of Understanding (agreement)
- NLT – Not Later Than / Not Less Than
- RFP – Request for Proposal (qualified bidding)
- SCADA - Supervisory Control and Data Acquisition – Plant computer controls
- SB – Snowbasin Resort
- TSS – Total Suspended Solids
- UDOT – Utah Department of Transportation
- WPR - Wasatch Peaks Ranch