

MOUNTAIN GREEN SEWER IMPROVEMENT DISTRICT

5455 West Old Highway Road, Mountain Green, Utah

**Minutes of the Board of Trustees
Wednesday, July 10, 2024, 6:00 PM
APPROVED 2024-08-07**

Board Members Present: Chairman Bill Coutts, Russell Willardson, Taylor Nielsen, Louise Earley (zoom), Vice-Chair Nathan Hill (Zoom)

Employees Present: Manager Jeremy Sorensen, Brittany Wayman

Guests Present: Jared Andersen (Sunrise Engineering/County Commissioner), Cami Moss (Child Richards CPA), Karl Abbott (constituent)

- A. **Call to Order:** Chairman Coutts called the meeting to order at 6:03pm
- B. **Prayer:** Member Willardson
- C. **Agenda:** Member Willardson suggested moving III i up to the beginning of the agenda.

A motion was made to move Agenda item III i up to the beginning of the agenda

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>	<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

- D. **Declaration of Conflict of Interest:** None declared
- E. **Approval of Minutes:** Vice-Chair Hill asked for clarification on fee collection in para VI. He also asked how Brittany responded when Chairman Coutts asked if she were ready to take on the additional tasks. Chairman Coutts answered that Brittany responded with a smile. Vice-Chair Hill’s last suggestion was on 5 i asking for clarification on what we don’t have enough of. Chairman Coutts clarified that it was employees/staffing that we don’t have enough of due to 2 employees leaving.

A motion was made to approve the June 5, 2024 minutes as amended

Motion – Vice-Chair 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>			

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Motion passed

F. Public Comment Period: None

AGENDA

1. Finance Committee

i. **Annual Audit Report-Child Richards:** Cami Moss presented to the Board the Annual Audit for the 2023 year. She reviewed the financials for the year and made note of the highlights in the management letter sent to the Board. Cami stressed the importance of using internal controls to prevent fraud risk. She also urged board members to pay attention to time cards and journal entries going forward. Vice-Chair Hill asked clarifying questions on the ledger entries. Member Earley commented that she would work with Manager Sorensen to get a plan together for payroll/timesheets reviews and documentation. Cami mentioned that time cards can be approved over email as long as hours are clearly depicted for the board member. Vice-Chair Hill asked if we had to pay for two audits or just the one for 2023. Cami responded that we were able to get away with just the basic audit for 2023. Next year she anticipates having to do two audits due to having federal funds.

A motion was made to approve the 2023 audit as presented

Motion- Member Nielsen

2nd- Member Earley

<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

2. Facilities Committee

i. Plant Expansion

I. **Progress, RFIs and materials, schedule and cost scheduled vs actuals, and Challenges – Sunrise:** Jared Andersen updated the Board on the plant expansion. The drywall is done along with the plumbing, electrical, and HVAC in the operations building. They started tiling today. Chairman Coutts commented that the goal is to have the outside completed by October which Jared confirmed. The county inspector will be coming out in 2 weeks or so, as soon as the headworks steel goes in. Manager Sorensen commented that they (he and Jared) met with Rocky Mtn power today to keep things moving along smoothly concerning electrical equipment. Chairman Coutts commented that we are slightly under budget. Of note, on the work accomplished chart the completed items are starting to surpass the planned items.

II. **Project payments and Change Orders:** Manager Sorensen told the Board that Nick (COP foreman) noticed an error in his spreadsheet so he

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corrected the invoice and re-sent it to Manager Sorensen today. Vice-Chair Hill asked if COP hadn't found the spreadsheet error, if someone else would have caught the \$100k + mistake. Manager Sorensen responded that COP still has to stick within the overall project budget and Jared Andersen answered that he wasn't sure either how the mistake happened. Member Willardson asked if we had to extend contract time while they were shut down due to the stop work order and he was answered that COP was able to work on other things so the contract deadline wasn't extended. Chairman Coutts asked Jared to look into the spreadsheet error to make sure the numbers were correct.

A motion was made to approve payment of \$690,581.46 to COP Construction

Motion- Vice-Chair Hill

2nd- Member Nielsen

<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

Manager Sorensen explained change order #16. Earlier in the plant expansion project, we had planned to have three blowers in the headworks building. The third one was canceled to cut costs but they ended up sending it anyway. There was some discussion explaining it will be used in the next expansion of the plant and it was prudent to keep and install the blower.

A motion was made to approve change order #16 in the amount of \$2,756.46

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>	<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

Manager Sorensen also showed the Board the updated change order list to date. Chairman Coutts asked some questions about where the funding came from and where it was being allocated. Member Willardson asked if the impact fees were going towards the plant expansion. Manager Sorensen answered that they are. Vice-Chair Hill asked clarifying questions about costs on change orders which Manager Sorensen answered.

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- ii. **HWC Agreement-Approval:** Chairman Coutts updated the Board regarding the HWC agreement. He asked for Member Nielsen’s input. Member Nielsen told the Board about his concerns regarding when MGSID would be paid. There was much discussion about semantics regarding connection fees vs development fees vs. ERUs. There was discussion about asking Mark Andersen (attorney for MGSID) to look over it. Chairman Coutts asked Members Willardson and Nielsen to look over it and to try rewording it before taking any further action. Vice-Chair Hill asked for the definition of water rights. He also commented that Nine-Springs development is rumored to be purchasing HWC once the development is approved, so the wording on this agreement needs to be airtight.

A motion was made to table the agreement with HWC

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>	<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. **WPR Agreement-LPS documentation:** A presentation was provided on the Low Pressure System WPR plans to use in certain topographical areas of the development. The board members asked several questions each and they were all satisfactorily answered.

3. Manager Discussion

- i. **Karl Abbot Access Agreement (moved to the first agenda item):** Manager Sorensen let the board know that Mr. Abbott would like an easement in order to access his backyard gate. Mr. Abbott asked that the agreement be modified to list out the reasons that the agreement can be terminated with 180 days notice, or to take out that clause altogether. There was much discussion about what it would mean to take that line out of the agreement and whether or not it would benefit both parties or only one. Several hypothetical circumstances came up about the future and the need to protect future property rights of the District. The Board will approve signing the agreement and Mr. Abbot can take it to his lawyer and sign it, if it was agreeable to them both.

A motion was made to approve the agreement with KM Abbot as written and allow the manager to sign it.

Motion- Member Willardson

2nd- Member Nielsen

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<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

- ii. **Status of will serve/standby fees:** Brittany and Manager Sorensen are currently working on it.
- iii. **Yearly Risk Document:** Manager Sorensen presented the Annual Fraud Risk Assessment to the Board. The District has a “very low” risk level according to the numbers. There was some discussion on whether or not Child Richards was part of the “management team”. Manager Sorensen will call the state auditor to confirm who is included in the Management team. The Fraud Risk Assessment was submitted on time without signatures from board members. Discussion about tabling the assessment until signatures could be obtained and questions clarified.

A motion was made to table the fraud risk assessment

Motion- Member Earley
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

- iv. **Update plant upgrade expenses:** Manager Sorensen presented this earlier with the payment approvals.
- v. **Status Morgan County sewer building permit fees:** Manager Sorensen got the impact fee for the transportation impact fee taken off at the county commission meeting on July 2.

4. HR Committee

- i. **Plant Operator Job Posted:** Manager Sorensen posted on several websites that allow us to post for free. He hasn’t heard anything back yet.
- ii. **Admin Assistant Job Posted:** Manager Sorensen posted Janet’s job to make sure we were doing things correctly. He’s received several applications for this position. Manager Sorensen will hire, but requests assistance from Member Earley when she returns. Chairman Coutts clarified that the Manager is responsible for filling the admin assistant position but would need Board approval for the plant manager position. Vice-Chair Hill asked clarification on whether this new administrative

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assistant would be doing Janet’s responsibilities, and if Brittany could apply for that position. Manager Sorensen confirmed that job duties would be decided once someone was hired and a review of their skillsets could be made. Chairman Coutts told the Board that having two administrative assistants will allow for part-time scheduling issues, segregation of duties and to cover expected growth coming soon.

- 5. **Executive Committee:** None
- 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 the meeting at 7:42 PM

Motion- Member Nielsen

2nd- Member Earley

<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 7:42 pm