

MOUNTAIN GREEN SEWER IMPROVEMENT DISTRICT

5455 West Old Highway Road, Mountain Green, Utah 84050

Minutes of the Board of Trustees Meeting

Wednesday, February 2, 2022 6:00 P.M.

APPROVED

Board Members Present: (Chairman) Bill Coutts, Larry Nance, Zane Gray, Nathan Hill, Taylor Nielsen,
Employees Present: None **Guests Present:** Jared Anderson, Kerry Gibson, Marcus Keller, Ryan Bjerke,
George Sousa, Jeremy Sorensen (new hire manager for the sewer district), Jordan Lane

A. Call to Order: Chairman Bill Coutts welcomed everyone present then called the February 2, 2022 meeting to order at 6:00 P.M. Chairman Coutts said that due to the current situation with COVID-19 in the region, a decision had been made to continue holding the board meetings via Zoom for the time being.

B. Prayer: Larry Nance

C. Approval of Agenda: Member Nance made a motion to approve the agenda. Member Hill seconded. All in favor. Motion passed.

D. Declaration of Conflicts of interest: None.

E. Approval of Minutes: pg 2, Larry *Hill* from Aqua Environmental, Spelling of 'plat' should be fixed throughout.

Member Hill made a motion to approve the minutes as amended by Chair Coutts. Member Nance seconded. All in favor. Motion passed.

F. Public Comment: None

Agenda Items

1) Oath of Newly Elected Board Chairman and Vice Chair

Chairman Bill Coutts was sworn in by member Larry Nance. Chairman Coutts then swore in Larry Nance as the new Vice Chair.

2) Appointment of District Treasurer and Clerk

Larry Nance has volunteered to be the District Treasurer. Member Hill made a motion to nominate Larry Nance as District Treasurer. Member Nielsen seconded. All in favor. Motion passed. Member Gray made a motion to appoint Janet Boudrero as District Clerk. Member Nance seconded. All in favor. Motion passed.

3) Consideration of Morgan County Bond Waiver and Will Serve Request

The Board received a letter from the Morgan County attorney's office declaring responsibility of financial obligations if MGSID would waive the requirement for a bond for Morgan County's airport project.

Chairman Coutts sent the letter to the Sewer District's legal counsel for verification of the county accepting liability.

Jared Anderson of Sunrise Engineering attended a pre-construction meeting on behalf of the board and confirmed that the meeting went well and that the plans for Morgan County's project have been reviewed and approved.

Member Nance informed the board that pre-construction payment had been received that day.

Member Nance made a motion to approve the waiver of the bond for Morgan County's project. Member Hill seconded. Member Hill asked whether Jared Anderson thought it was a good idea to waive the bond.

Jared Anderson said that as a county commissioner he had voted to waive the bond, but that as an engineer he would never recommend that liable parties waive a bond.

Member Hill asked Chairman Coutts to speak to the issue since he had been involved in most of the communication about it. Member Coutts said that he was speaking as a non-engineer but felt that the project of 13 airport hangers and the associated sewer lines were a fairly low-risk project to waive a bond on. He asked member Nielsen whether he agreed. Member Nielson and Jared Anderson agreed that it was a low risk project.

Member Nielsen asked how much money the county was saving by not bonding the project. Jared Anderson said that the county was saving about \$7000 over the entirety of the project, but that just the sewer line portion of the bond was far less. Member Nielsen estimated it to be a couple hundred dollars.

Member Nance asked Jared Anderson if he felt that the County would be in a position to cover the bond if that were necessary. Mr. Anderson referred to the letter written by the county attorney which states that the county would accept financial responsibility if necessary.

Member Nielsen agreed with Mr. Anderson that the risk to the district was very low because of the nature of the project.

Mr. Anderson also mentioned that the sewer line will be checked with a camera before the official handover to the district, and that if it's not functioning at that time the district can always refuse to accept the line until it's been taken care of.

All in favor. Motion passed.

4) Update on the meeting with the DEQ;_Marcus Keller (Zions Bank)

Marcus Keller gave the board an update on the meeting with DEQ that took place on January 24th. He said there were good steps taken to be able to close the bond for the May 2022 deadline at hand. The goal date is important because the DEQ's money is tied to federal funds and will have new, more extensive requirements starting May 1st. Cliff Linford has created a timeline of things that need to be done in order to hit the deadline. Mr. Keller confirmed that things seem to be on track with that timeline.

Chairman Coutts added that Sunrise Engineering needs to be in a position to bid the project no later than August of 2022, and the construction should begin no later than November 2022. He felt the staff at the DEQ were also motivated to get the bond closed by May, and that that would help the process.

Member Nance asked whether the escrow agreement was going to be discussed. Ryan Bjerke commented that the escrow agreement is only necessary if the board decides to go without a trustee. Mr. Keller's understanding of the purpose of the escrow agreement was slightly different. There was some discussion about that, but it was decided that the issue could be discussed at another meeting

5) Consideration of Resolution 2022-01

Resolution 2022-01 authorizing the issuance of \$9,000,000 in sewer revenue bonds. This resolution sets the date for the required public hearing. It sets certain parameters for the bond, such as the maximum amount which is allowed to be issued, that the interest rate will not exceed 5%, and the discount will not exceed 2%. It does not obligate the district to those amounts, just stipulates that they will not exceed those amounts. It also stipulates the required 'notice of issuance' which begins a 30 day contest period. Further required resolutions will be considered at future meetings.

A motion was made by member Nance to adopt resolution 2022-01. The motion was seconded by member Hill. All in favor. Motion passed.

6) Trustee Decision

According to Marcus Keller, the DEQ actually seems to prefer the district to not work with a trustee. Mr. Keller commented that it is usually common for the lender to prefer the use of a trustee. There could be many reasons for this, and Mr. Keller did not think it put the district at a disadvantage or benefit the lender.

The district will not likely need to issue additional bonds other than the CIB and DEQ bonds. Over time, the cost of a trustee adds up to a significant amount.

Ryan Bjerke did not think that there were any negative effects from having a trustee. He also made the point that there is a burden and obligation of financial record keeping that the trustee would normally do which will fall to a member of the board if a trustee is not appointed.

Member Nance felt that the main concern is the fee associated with the escrow agreement if a trustee is not appointed. He wanted more info from Mr. Bjerke to clarify.

After some discussion, Chairman Coutts made a motion granting authority to the Chair to make a decision about whether or not to hire a trustee following the meeting scheduled to take place with Marcus Keller, Ryan Bjerke, Chairman Coutts and member Nance. Depending on that decision, the Chair will also sign the escrow agreement (or not) as needed. Member Nance seconded. All members in favor except member Gray. Motion passes with four votes in favor.

7) Update on State ARPA Funding;_Kerry Gibson

Legislative subcommittees will make final recommendations next week, and then executive appropriations will begin planning the budget. The amount of funding allotted to ARPA for rural communities was reduced from the amount that had been quoted previously. No new applications are being considered, but the amount allotted for the District's type of project is less than previously expected, so Mr. Gibson was predicting that the District would receive less funding than previously thought. He thought it would be less than what was awarded in the fall of 2021. A decision is expected about the beginning of April, and any awarded funds will most likely be received a few months after that.

8) ARPA County Funding;_Jared Anderson

Jared Anderson gave an update saying that no decision had been made, but that the committee had set May as a deadline for making a decision and appropriating funds. The committee has voted and approved an amount not less than \$100,000, but a final amount has not been decided on.

Member Nance mentioned that at previous meetings Mr. Anderson had said he could justify an amount closer to \$400,000. He also reminded the board of the amount for the bid on just the bore portion of the project and that prices for construction are tending to go up. He concluded saying that the funds from the ARPA committee are not only helpful, but may be necessary to see the district through to the end of the project. Mr. Anderson agreed and reemphasized his commitment to help the district receive as much funding as possible.

9) Updates on the Plant Expansion Project

Jared Anderson of Sunrise Engineering has been in daily communication with Nix Construction who have been hired to complete the bore section of the CFP. The bid for that job came in at \$3.2 million. It is a higher bid than expected as there are some difficult features of the bore project such as dewatering, and making a bypass channel. He had a discussion with Vance Bostock from Wasatch Peaks Ranch earlier in the week. Mr. Bostock is not happy with the higher than expected bid, and he's looking at possible alternatives. The bore has to be done by April 15th as that is the date that Weber Basin has to turn on water for users downstream. A pending response from Wasatch Peaks is delaying the start of the project, but start is imminent.

The lift station is underway, but the main focus has been on the bore at the moment. The deadline for this portion is June 30th, and Mr. Anderson is very confident about meeting that deadline. A cost estimate has not been received for this portion of the project yet.

Sunrise is at 60% completion on design of the plant. They are ahead of schedule. Architectural plans to be sent out to the board and new manager soon. Increase of material costs is a concern. Member Nielsen asked for a list of equipment pieces that had already been purchased and put under contract. He thought there might be 7 or 8.

Plat 1 drawings for Wasatch Peaks will be finalized this week.

There was a meeting about Snowbasin on the 31st. The discussion was about the infrastructure for the system. How, where, and when it would connect with the infrastructure for the sewer district, and any adjustments to the sewer system that would be necessary. Chairman Coutts had suggested that the Snowbasin team work closely with Sunrise Engineering so that things could move forward with efficiency. The facilities committee suggested that Snowbasin have their attorney meet with the attorneys for Weber and Morgan counties, MGSID's attorney and the special districts attorney to begin work on the annexation process. Those items are precursors for a will-serve letter from MGSID, and Snowbasin was advised to that effect.

Member Nance emphasized again that MGSID would like a list of equipment that has already been purchased. Mr. Anderson said he would send out an email that night.

11) New Website

The domain for MGSID has been moved from Go Daddy to Weebly. Yesterday the board positions were updated. Minutes should be updated soon. The website is at a reduced cost, is flexible, and more user friendly to the board than the previous one.

12) New Hire Manager

Member Gray began the conversation by saying that the compensation package as noted on the agenda had been modified to \$50 an hour and no compensation on health insurance. There is a retirement benefit which Chairman Coutts anticipated to be no more than \$250 per pay period.

Member Gray then made a motion to hire Jeremy Sorenson as the new manager for Mountain Green Sewer Improvement District. All in favor. Motion passed. Member Gray made a motion to send Jeremy Sorenson the amended Manager agreement. Seconded by Member Hill. All in favor. Motion passed.

13) Board New Business

Member Nielsen recommends that the district seek legal counsel that has more expertise for future projects such as the annexation process with Snowbasin. Chairman Coutts asked the board if there was any objection to him calling both attorneys (Mr. Stratford and Mr. Anderson) that the district has used in

the past and see what their interest is in continuing to provide services, considering the new projects and needed expertise.

A Mr. Jordan Lane has enquired about using the fields on district property for garden plots. Chairman Coutts asked Mr. Lane to seek legal advice about any liability that might be carried by the district and/or users of the garden plots. The board will consider his proposal at the March meeting, depending on what the feedback is from legal counsel.

Member Nance says that Mrs Boudrero has received a request to transfer an impact fee from one owner to another owner. This hasn't been done before, so the process for transfer needs to be discussed.

Member Nance suggested an update of the by-laws, reassigning various duties of the clerk and treasurer to the manager as needed.

9) Motion to Adjourn the meeting made by member Nance. Member Nielsen seconded. All in favor. Meeting was adjourned at 7:36pm.