

MOUNTAIN GREEN SEWER IMPROVEMENT DISTRICT
5455 West Old Highway Road, Mountain Green, Utah
Agenda for Wednesday, December 2, 2015
Public Hearing for the 2016 Budget from 6:00 PM to 7:00 PM
Board of Trustees Meeting starting at 7:00 PM

Meeting to be held in Open Public and Closed Sessions
The Board may choose to go into a Closed Session at any time by making a public announcement and achieving a 2/3 vote approval plus vote recordation

- I. Welcome, Introductions, Invocation
- II. Public Comment Period
- III. Business Items

1) Discussion/Decision: Public Hearing to review and approve the 2016 Budget

- State regulations require the District to have a Public Hearing in December in which the budget for 2016 will be presented for public comment. The hour between 6:00 PM and 7:00 PM is reserved for the Public Hearing, and no formal actions may be taken until the hour is complete and public comments regarding the budget have been expressed. During this one-hour period the Board may discuss the budget items and any other topic agreed to by the Chair, but no formal actions may be taken.
- At the end of the one-hour period, the Board is requested to amend the budget as necessary and approve the detailed budget, the summary budget, and the budget resolution.
- The budget summary and the budget resolution will then be sent to the State Auditor's Office within 30 days of approval.
- It is noted that, because the District operates as an 'Enterprise', the Board may amend the budget as necessary in any scheduled Board meeting at a later date, without holding a public meeting
- The 2016 Revenue Budget is based on the January 1, 2016 rate increase to \$38.00 per month, which was approved at the Public Hearing December 2014.
- The District Manager will present the 2016 Budget.
- Does the Board approve the 2016 Budget that has been presented?
- Does the Board approve Resolution 151202 for the 2016 Budget?

2) Discussion/Decision: HR Services Wage Step Program for the Secretary & Operator positions

- At the November 4, 2015 Meeting, the Board of Trustees approved the Secretary's and Operator's positions receive a 5% increase over their current hourly wage so both positions will be compensated at \$24.26 per hour starting January 1, 2016, and to be placed above the middle, somewhere in the upper half of a ten step program to be worked out by HR Services, Inc.
- HR Services has submitted the program to the District for review and approval.
- Does the Board approve the Wage and Benefit Step Program for the Secretary's and Operator's positions that HR Services, Inc. has created?

3) Discussion/Decision: HR Services Wage and Benefit Step Program for the Manager position

- At the November 4, 2015 Meeting, the Board of Trustees approved the Manager position to be compensated at \$80,000 per year total, which equates to \$32.00 per hour base salary plus \$5,000 in retirement payments and a mid-level health insurance package, starting January 1, 2016. This is to be positioned at the ninth step of a ten step wage and benefit program to be worked out by HR Services.
- HR Services has submitted the program to the District for review and approval.
- Does the Board approve the Wage and Benefit Step Program for the Manager's Position that HR Services, Inc. has created?

4) Discussion: New Chairperson for 2016

- Mark Devoe has decided to step down from the position as Chair after this meeting and allow the next person to take the reins. Our sincere thanks to Mark for his service and for the time that this responsibility has required.
- Zane Gray, who has been our Vice Chair, has agreed to move into the Chair position starting with the meeting in January 2016.

5) Discussion/Decision: New Vice Chair for 2016

- A new Vice Chair needs to be selected to stand in for the Chair when he is not able to attend the meetings. Anyone interested should volunteer.
- Does the Board agree to the decision for the new Vice Chair?

6) Discussion: Board Meeting Schedule for 2016

- The Board is scheduled to meet on the first Wednesday of every month in 2016 on the following dates. Please mark your calendars as follows:
 - January 6
 - February 3
 - March 2
 - April 6
 - May 4
 - June 1
 - July 6
 - August 3
 - September 7
 - October 5
 - November 2
 - December 7

7) Discussion: Cottonwoods Phases 5 through 9

- Chad Bessinger and Wayne Reaves with JF Capital are present to discuss their plans for developing Cottonwoods Phases 5 through 9.

8) Discussion: Discussion with Ron Lawson

- At the November 4 Board Meeting the Manager was asked to check with Ron Lawson, a former MGSID Chairman, regarding historical decisions for some homes located within the District boundaries that are not connected and not being charged service fees while others that are not connected are being charged.
- Ron explained how the District went through many challenges in trying to get all of the residences connected, but in some cases the battles were deemed too difficult so exceptions were made. He highlighted the struggles with the homes

on Gordon Creek Circle, Powder Horn Road and Old Highway Road which the Manager can retell in detail if the Board desires. Ron also shared the reasoning behind charging the few unconnected homes bordering the Rosehill development, as well.

- In essence, the policy of ‘charging service fees to all residences in the District, whether connected or not’ was unevenly applied and even Ron agreed that it is probably the right time to change the policy.

9) Discussion: Discussion with Attorney Jon Call

- The Manager also checked with the District’s attorney, Jon Call, regarding the policy to charge service fees to all residents of the District whether connected or not and found the following.
- Jon does not believe that any individual will have any recourse against the District if there is a change in policy. The general rule is that if an ordinance changes it has no retroactive effect. Meaning a new rule doesn’t change the past, just the future. This means that all individuals would not be able to claim that the new rule/ordinance/policy should have retroactive effect.
- The Board should be safe to eliminate the fee on unconnected homes. If it is clear the Board wants to reduce fees for non-connected homes a hearing is not required.
- There is reference in the Ordinance to the “Morgan County’s mandatory sewer connection ordinance” (article II, Part 1, 1.05). Jon could not see where that ordinance is currently found in the Morgan County Code Book. He stated that they must have done away with it, unless it is referencing 8-12-46 which requires all new subdivisions to connect, though I’m guessing that is not the case for these 5 homes.
- The policy was never written correctly from the beginning in 1989 and should be updated to rectify the error (see the first part of Item #10, which is next).

10) Discussion/Decision: Update the MGSID Sanitary Sewer Ordinance effective January 1, 2016

- The Sanitary Sewer Ordinance was last updated January 2015 and there are three changes which should be addressed (Text in Bold represents an addition and text in strikeout represents a removal).
- First is the removal of text as follows from:
 - Article II, General; Part One – Board of Trustees; Section 1.04
 - The Board has authority to charge and collect impact and connection fees, inspection and permit fees, and sewer service charges and to take such steps and adopt such resolutions as may be necessary to assure the collection and enforcement of the same from all persons who, pursuant to and in accordance with the requirements of Morgan County's mandatory sewer connection ordinance, ~~are required to connect to the Sewer System, whether the premises of said persons are connected to the Sewer System or not.~~
- Second is clarification of the rate description in:
 - Article II, General; Part Three – District Fees; Section 3.04

- The Board has set a monthly service fee per ERU to pay the cost of operating and maintaining the wastewater treatment facility and associated collector and interceptor lines. This fee is ~~currently \$36~~ **was approved in the December 2014 Public Hearing at the following rates for each year specified** and may be periodically ~~increased~~ adjusted **through another Public Hearing** as **operating costs increase** ~~change~~. **2015-\$36, 2016-\$38, 2017-\$40, 2018-\$42, 2019-\$44.**
- Third is the removal of text as follows from:
 - Article V, System Installation; Section 3.04, H.
 - H. Laterals shall not run closer than two feet to a building after exiting and shall be at least four feet deep from final grade. ~~If less than four feet deep, the District shall be advised of the necessity by letter.~~
- Does the Board approve the update and changes to the MGSID Sanitary Sewer Ordinance effective January 1, 2016?

11) Discussion: Financial assistance applicants & outstanding balance.

- Robert notified the November applicant's for financial assistance to the terms of the agreement which are to make the discounted monthly payments on time along with additional amounts to pay down the outstanding balance.

12) Discussion/Discussion: Change to the application for financial assistance

- At the November 4 Board Meeting, the request was made to remove a couple of the requirements to the Application for Financial Assistance Discount.
- The second sentence on the application was updated as follows:
 - *Please bring this completed application to the **District office** meeting, ~~along with any documentation that would substantiate the need for financial assistance.~~ The District will make a copy of this application, but none of your other personal confidential information will be kept, copied, retained or made public record by the District.*
- The final sentence was removed as follows:
 - ~~Discounts will not be given retroactively for past dates.~~
 - (Please see new application accompanying this Agenda).
- Does the Board approve the new Financial Assistance Application updated December 2, 2015?

13) Discussion: District Operations ~ November 2015

- Robert completed a National Utility Management Certification Program.
- Blower #2 started having intermittent shutdowns on Thanksgiving day and had to be manually switched to another blower. Testing is underway to determine the cause.
- Effluent water continues to measure well within state requirements and removed over 98% of BOD and 96% of TSS in November. E-Coli bacteria was non-detectable at less than one organism per 100 milliliters.

14) Discussion: District Statistics as of November 30, 2015

- Comparison of the number of Impact Fees received to date.
 - **2015 = 55** Impact Fees
 - **2014 = 50** Impact Fees
 - **2013 = 105** Impact Fees
 - **2012 = 60** Impact Fees

ERU STATUS

<i>ERUs Billing</i>	ERUs Under Construction	ERUs Connected	ERUs Committed But Not Activated	WILL SERVES Committed
968	70	+ 984.5	+ 361	= 1,415.5

TOTAL ERUs CONNECTED LAST SIX MONTHS RUNNING

	<i>JUN 2015</i>	<i>JUL 2015</i>	<i>AUG 2015</i>	<i>SEP2015</i>	<i>OCT 2015</i>	<i>NOV 2015</i>
CONNECTED	963	966	972	978	981	985
% OF CAPACITY	53.5%	53.7%	54.0%	54.3%	54.5%	54.7%

District requirements on Upgrade: Option Study @ 70% (1,260); Design @ 80% (1,440); Build @ 90% (1,620)

MGSID BANK STATEMENTS

STATEMENTS ENDING	MAIN OPERATIONS CHECKING	\$3,456 EXPANSION ACCOUNT	\$5,271 EXPANSION ACCOUNT	BANK TOTALS
November 30, 2015	\$133,785	\$45,579	\$57,977	\$237,341
PTIF 248 EXISTING RESIDENT'S FUNDS FOR PROPOSED NEW SEWER FACILITY	PTIF 4667 EMERGENCY FUNDS	PTIF 4668 REPLACEMENT (DEPREICIATION) FUNDS	PTIF 4598 EXCESS EXPANSION (IMPACT FEE) FUNDS	FUND TOTALS
\$249,808	\$150,976	\$269,259	\$123,889	\$793,932

TOTAL CASH \$1,031,273

OPERATIONS INCOME & EXPENSE STATEMENT

YTD ~ January 1, 2015 through November 30, 2015

INCOME

Monthly Service Fees	\$ 357,684
Late Fees	\$ 470
New Lateral Inspections	\$ 5,501
Other Income	\$ 1,964
Taxes Income	\$ 17,432
Interest Income	\$ 2,803
TOTAL INCOME	\$ 385,854

EXPENSE

Administration	\$ 128,589
Operations	\$ 86,669
Depreciation	\$ 144,273
TOTAL EXPENSE	\$ 359,531

NET INCOME \$ 26,323

IMPACT FEE/EXPANSION INCOME	\$ 114,870
EXPANSION ACCOUNT INTEREST	\$ 969
EXPANSION EXPENSES	\$ (42,428)
DEVELOPER REIMBURSE	\$ (65,664)
NET EXPANSION INCOME	\$ 7,747

15) Discussion/Decision: Review and approval of the October 7, 2015, October 28 and November 4, 2015 Minutes.

16) Discussion: The next scheduled Board Meeting will be on Wednesday, January 6, 2016 at 7:00 PM

- Christmas Dinner is next Tuesday, December 8 at 6:00 PM - Maddox

17) Motion to Adjourn