

MOUNTAIN GREEN SEWER IMPROVEMENT DISTRICT

5455 West Old Highway Road, Mountain Green, Utah

Agenda for Thursday, December 4, 2014

Public Hearings & Board of Trustees Meeting starting at 6:00 PM

I. Welcome, Introductions, Invocation

II. Public Comment Period

III. Business Items

1) Discussion/Decision: Public Hearing for Proposed Sewer Rate Increases

- State regulations require the District to hold a Public Hearing to approve an increase in the rates the District charges. The hour between 6:00 PM and 7:00 PM is reserved for this Public Hearing, and no formal actions may be taken until the hour is complete and public comments regarding the rate increases have been expressed. During this time period the Board may discuss the rates 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 make any necessary changes to the proposed rates and approve or deny the increases, along with a rate increase resolution.
- The Board is being asked to approve a rate adjustment in 2015 to \$36.00 per month plus four more years of automatic phased increases of \$2.00 per year. Starting on January 1 of each year, the following monthly service rates would go into effect without additional public hearings: 2015 - \$36.00; 2016 - \$38.00; 2017 - \$40.00; 2018 - \$42.00; 2019 - \$44.00
- Approving up to five years of rate increases for a utility in one Public Hearing is a common and accepted practice. This option was recommended by our auditing accountant and confirmed by our attorney. Putting the automatic annual rate increases in place at one time will save the additional expenses (printing, folding, envelopes, labels, labor costs, first class postage & quarter page ads in the local newspaper) involved with scheduling repetitive Rate Change Public Hearings every year that are not required for the annual Budget Approval Public Hearings.
 - The new rates with automatic annual increases will be visible to everyone by being published on the MGSID website and in the office, so this is not being presented in an attempt to conceal the rate increases or lock in pricing that might be inappropriate. MGSID always has the option to pay for and hold a Public Hearing at any time in order to change these rates should they be deemed ineffective. Approving five years of rates in one Hearing will allow the District to avoid four years of unnecessary expenses that will come with the higher level of notifications required with Rate Change Hearings.
- The lateral installation inspection fees should be increase from \$75.00 to \$100.00 per inspection to reflect the current cost of labor and administration.
- The proposed rate increases and justifications will be presented now.
- Does the Board approve of the proposed rate increases for the monthly service fees and the lateral installation inspection fees so they can go into effect starting January 1, 2015 and on each of the corresponding years from 2015 - 2019?
- Does the Board approve Resolution 141204-A for the new sewer rates effective January 1, 2015?

2) Discussion / Decision: Public Hearing to Review the 2015 Budget

- State regulations require the District to have a Public Hearing in December in which the budget for 2015 will be presented for public comment. The hour between 7:00 PM and 8:00 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 by the end of January
- 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 2015 Budget will be presented now.
- Does the Board approve the 2015 Budget that has been presented?
- Does the Board approve Resolution 141204-B for the 2015 Budget?

3) Discussion: Trunk Line service road

- Mr. Duane Johnson is in attendance to address the Board in reference to the service road installation for the District trunk line that runs through his property.
- The trunk line installation was completed, except for one item, and put in service November 4, 2014. The outstanding item is the installation of up to a 12" thick gravel road base that runs the length of the pipe line and manhole installation for service access, and is included in all of the signed easement agreement and design plans. In October 2014 the Board approved a delay addendum that currently allows this final part of the installation to be completed next summer by July 2015 without holding up the other components of the 2014 facilities agreement.

4) Discussion / Decision: Proposed 2014 Budget Adjustments

- The 2014 Budget is in good shape for End Of Year. We expect to exceed the budgeted income by about \$10,000 or more, and come in about \$12,000 under budgeted expenses.
- The following items identify accounts in the 2014 budget that need to be adjusted. Some of the expense categories exceed the detailed 2014 budget; however, these deficits are offset by other accounts which are underutilized. Approving these adjustments will have a Net \$0 effect on the budget.
- The category increases were due to expenses for new equipment such as the GIS mapping equipment and the composite sampler, plus equipment repairs/replacements such as the pump at the MV lift station and the grinder.
- Does the Board approve the following adjustments to the 2014 budget?

Categories to Decrease	2014 BUDGET	2014 EOY PROJECTION	OVER / UNDER
ADMINISTRATION EXPENSE			\$ -
Board Meeting Compensation & Expense	\$ 7,520	\$ 4,020	\$ (3,500)
Office Expenses	\$ 10,000	\$ 8,000	\$ (2,000)
Professional Fees	\$ 17,000	\$ 10,000	\$ (7,000)
OPERATIONS EXPENSE			
Building Maintenance	\$ 4,000	\$ 200	\$ (3,800)
Generator Maintenance & Fuel	\$ 5,000	\$ 2,660	\$ (2,340)
Utilities (Power)	\$ 28,000	\$ 25,000	\$ (3,000)
Manhole& Line Repair/Maint	\$ 30,000	\$ 4,000	\$ (26,000)
Clean & Video	\$ 40,000	\$ 39,000	\$ (1,000)
Grounds Maintenance/Landscaping	\$ 7,000	\$ 3,500	\$ (3,500)
Total Category Decrease	\$ 148,520	\$ 96,380	\$ (52,140)

Categories to Increase	2014 BUDGET	2014 EOY PROJECTION	OVER / UNDER
OPERATIONS EXPENSE			
Lagoons, Air & Chlorine Systems	\$ 5,060	\$ 21,000	\$ 15,940
Supplies, Repairs & Spares	\$ 9,000	\$ 35,000	\$ 26,000
Monte Verde Lift Station	\$ 2,000	\$ 10,000	\$ 8,000
Equipment / Controls / Instrumentation	\$ 5,000	\$ 7,200	\$ 2,200
Total Category Increase	\$ 148,520	\$ 96,380	\$ (52,140)
NET CHANGE TO BUDGET			\$0

5) Discussion: District Operations ~ November 2014

- Effluent water continues to measure well within state requirements and removed over 97% of BOD and 97% of TSS in November. E-Coli bacteria registered at Non Detectable levels.
- We began drawing water samples in November from the Weber River at points above and below our outlet pipe in order to track the effect of our phosphorus discharge on the river. The first month's Phosphorus in the river registered at .02 mg/L (milligrams per liter) Upstream and .04 mg/L Downstream, so based on this first bit of data our effluent does appear to have an impact on the river. Our Effluent contained 4.8 mg/L just before discharge. *"Treatment plants... will be required to produce treated wastewater that contains 1.0 mg/L of phosphorus or less before that water may be discharged. This new requirement becomes effective no later than January 1, 2020."*
- The new sampling machine has been installed at the effluent basin and will be ready for operation by January 1, 2015 as required by the state.

6) Discussion: District Statistics as of November 30, 2014

- Comparison of the number of Impact Fees received to date.
 - **2014 = 50** Impact Fees
 - **2013 = 105** Impact Fees
 - **2012 = 60** Impact Fees
 - **2011 = 21** Impact Fees

ERU STATUS

<i>ERUs Billing</i>	ERUs Under Construction	ERUs Connected	ERUs Committed But Not Activated	WILL SERVES Committed
<i>894</i>	64	+ 931	+ 308.5	= 1,303.5

TOTAL ERUs CONNECTED LAST SIX MONTHS RUNNING

	<i>JUN 2014</i>	<i>JUL 2014</i>	<i>AUG 2014</i>	<i>SEP 2014</i>	<i>OCT 2014</i>	<i>NOV 2014</i>
CONNECTED	909	912	916	920	921	931
% OF CAPACITY	50.5%	50.6%	50.9%	51.1%	51.2%	51.7%

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
October 31, 2014	\$106,774	\$70,094	\$26,281	\$203,149
PTIF 248 OPERATIONS FUNDS	PTIF 4598 EXPANSION FUNDS	PTIF 4667 EMERGENCY FUNDS	PTIF 4668 REPLACEMENT FUNDS	FUND TOTALS
\$158,675	\$123,197	\$134,169	\$207,974	\$624,015

TOTAL CASH \$827,164

OPERATIONS INCOME & EXPENSE STATEMENT
YTD ~ January 1, 2014 through November 30, 2014

INCOME

Monthly Service Fees	\$262,710
Late Fees	\$ 608
New Lateral Inspections	\$ 3,825
Other Income	\$ 4,502
Taxes Income	\$ 22,630
Interest Income	\$ 1,971
TOTAL INCOME	\$296,246

EXPENSE

Administration	\$ 135,117
Operations	\$ 121,307
Depreciation	\$ 144,274
TOTAL EXPENSE	\$ 400,698

NET INCOME **\$(104,452)**

IMPACT FEE/EXPANSION INCOME	\$ 238,812
EXPANSION ACCOUNT INTEREST	\$ 574
EXPANSION EXPENSES	\$ (96,537)
DEVELOPER REIMBURSE	\$(110,592)
NET EXPANSION INCOME	\$ 32,257

- 7) **Discussion/Decision: Review and approval of November 6, 2014 Minutes.**
- 8) **Discussion: The next Board Meeting is scheduled for the third Thursday, January 15, 2015 at 7:00 PM.**
- Because the first Thursday in January falls on the New Year's Day, the next Board Meeting is scheduled for the third Thursday, January 15, 2015 at 7:00 PM.

Motion to Adjourn