

# **MOUNTAIN GREEN SEWER IMPROVEMENT DISTRICT**

*5455 West Old Highway Road, Mountain Green, Utah*

**Agenda for Wednesday, August 5, 2015**

**Board of Trustees Meeting starting at 7:00 PM**

I. Welcome, Introductions, Invocation

II. Public Comment Period

III. Business Items

## **1) Discussion: Annexations**

- The Annexation process for Karl Reeder and Susan Potter is complete
- Everything was packaged and sent off to the Lieutenant Governor's office, which then sent back the certificates of annexation. The certificates, plats, petitions and resolutions were then recorded at Morgan County last week.
- Susan Potter has paid all of her fees and will notify us when she is fully connected and ready to start billing.
- Karl Reader is coming in on Thursday to pay the Impact and Inspection Fees. He has asked to pay the \$1,830 for the Lilac Lane stub connections in installments. In the past the Board has allowed other residents to make these payments over time at zero interest with thirty six payments of \$50 and a final payment of \$30. Karl will sign an agreement for the same arrangement.

## **2) Discussion/Decision: Assign a Board Member for Financial Oversight**

- The 2014 Financial Audit reported a Material Weakness of Internal Control over Financial Reporting.
- On July 23, 2015 the Office of the Utah State Auditor sent MGSID a letter requesting a Corrective Action Plan to verify this is being done. Robert responded to the State Auditor to let him know that the Board will working on a correction at our Board Meeting on August 5.
- Cody Cardon, out auditor, recommended the assignment of a Board Director for Financial Oversight. This position would carry the responsibility of reviewing all bank statements and financial status every month and then provide written verification of such at every Board Meeting. Due to the additional responsibility and time involved, this position warrants an additional stipend.
- For simplicity and accuracy, this audit should be performed directly prior (about one hour) to the scheduled Board Meeting. Robert has modified the checklist provided by Wood Richards to fit our needs and simplify the monthly process. See attached form.
- Does the Board want to assign a Financial Oversight responsibility to one of the Directors that includes an additional stipend?

## **3) Discussion: GRAMA Training**

- Janet is attending a class on August 6 that will provide the required certification as the District's Record's Officer.
- This is an annual requirement that requires the Record's Officer to take the class every year. It is now available online and Janet will schedule it for the first month of each year.

**4) Discussion: Board Member Training Wednesday, September 16 @ 7:00 PM**

- ALL Board Members are required to complete the Open and Public Meeting Training EVERY year (so we need one for 2015 and then again in 2016).
- New Board Members are required to complete a special and local service district board member training within one year of taking office.
- In order to meet these stipulations, LeGrand Bitter will provide a class here, at our office, on September 16, 2015 at 7:00 PM for a cost of \$225.
- It is important that ALL Board Members attend this class or provide written proof prior to the class date that they have fulfilled both of these conditions. If even one Board Member goes unqualified, then the District will get another negative mark in next year's audit.

**5) Discussion/Decision: Resolution 150805 Procurement and Purchasing Policy**

- The District is required to have a written and up to date Procurement and Purchasing Policy.
- Attached is a template provided by the Utah Association of Special Districts that has been modified to meet the needs of the MGSID.
- Does the Board approve Resolution 150805 to instate the Procurement and Purchasing Policy and Procedures dated August 5, 2015 as presented?

**6) Discussion: 2015 System Cleaning and Video**

- The system cleaning and video for 2015 was put out to bid in May and with a closing date of June 30. There were three respondents.
- ProPipe won the bid at 78¢ a linear foot. ProPipe has verified their availability, and that they will have the appropriate traffic control manpower on hand. They have also sent over copies of their liability and Worker's Compensation policies showing the District as a named insured.
- The work is scheduled to start on September 3, and concentrate on our lines that run the complete length of Old Highway, Trapper's Loop, Trapper's Pointe and Rollins Ranch. We are required to clean the full system every three years, so we divide this up into one third of the system every year.
- We budget \$40,000 per year for this cleaning with around 38,000 to 43,000 linear feet scheduled for this year at an estimated \$33,000 to \$35,000 total.
- Robert is in the process of obtaining the required bond and permit that are necessary to perform work on state highways. We have a franchise agreement with Morgan County that alleviates these requirements for county roads.

**7) Discussion: Permit Renewal**

- The District's UPDES operating permit renewal arrived on July 22, backdated as effective on July 1, 2015 because our prior permit expired on June 30. The delay was due entirely to the backlog of work and the administrative notice requirements that the state must adhere to. The plant was inspected in the spring and passed without any corrective recommendations.

- The only change to the permit was to add additional sampling procedures, which were put in place at the beginning of the year. There were no changes to our discharge requirements or monitoring levels.
- The permit renewal does have a requirement to ‘complete an industrial waste survey within 60 days of the effective date of this permit,’ which means that the survey/report is due to the state by August 31, 2015. Not much time to identify all of our industrial users and determine their qualitative and quantitative uses.
- On a good note, the new permit is good through June 30, 2020.

**8) Discussion: Trunk Line Road Installation**

- The trunk line road should be complete or almost complete by the time of this meeting. The installation of the road was as difficult as the installation of the new sewer line due to last minute changes, irrigation problems and negotiations between the landowner, the developer and the contractor.
- As discussed in prior board meetings, at least two of the manholes on the east/west trunk line would have to be lowered if the road was installed. There were also four drain pipes that had not been planned for which had to be installed to allow irrigation drainage.
- The total additional cost for these change orders was \$4,513, which is being split between MGSID and Gardner Development at \$2,257 to each party. This is not an additional charge, but a matter of putting back some of the \$53,639 that Robert had cut from the original 2008 Board approved estimate of \$973,015.

**9) Discussion: District Statistics as of July 31, 2015**

- Janet filed the Money Management Report mid-July.
- The second quarter Transparency Report was filed on time.
- Comparison of the number of Impact Fees received to date.
  - **2015 = 25** Impact Fees
  - **2014 = 30** Impact Fees
  - **2013 = 69** Impact Fees
  - **2012 = 36** Impact Fees

**ERU STATUS**

<i>ERUs Billing</i>	ERUs Under Construction	ERUs Connected	ERUs Committed But Not Activated	WILL SERVES Committed
945	58	+ 966.5	+ 391	= 1,415.5

**TOTAL ERUs CONNECTED LAST SIX MONTHS RUNNING**

	FEB 2014	MAR 2015	APR 2015	MAY 2015	JUN 2015	JUL 2015
CONNECTED	947	949	952	956	963	966
% OF CAPACITY	52.6%	52.7%	52.9%	53.1%	53.5%	53.7%

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

**MGSID BANK STATEMENTS**

<b>STATEMENTS ENDING</b> <b>July 31, 2015</b>	MAIN OPERATIONS CHECKING	\$3,456 EXPANSION ACCOUNT	\$5,271 EXPANSION ACCOUNT	<b>BANK TOTALS</b>
	\$149,269	\$58,451	\$36,881	<b>\$244,601</b>
PTIF 248 EXISTING RESIDENT'S FUNDS FOR PROPOSED NEW SEWER FACILITY	PTIF 4598 EXPANSION FUNDS	PTIF 4667 EMERGENCY FUNDS	PTIF 4668 REPLACEMENT FUNDS	<b>FUND TOTALS</b>
\$224,302	\$123,630	\$150,661	\$243,712	<b>\$742,305</b>

**TOTAL CASH \$986,906**

**OPERATIONS INCOME & EXPENSE STATEMENT**

*YTD ~ January 1, 2015 through July 31, 2015*

**INCOME**

Monthly Service Fees	\$ 221,753
Late Fees	\$ 246
New Lateral Inspections	\$ 2,401
Other Income	\$ 1,901
Taxes Income	\$ 14,578
Interest Income	\$ 1,436
<b>TOTAL INCOME</b>	<b>\$ 242,315</b>

**EXPENSE**

Administration	\$ 84,772
Operations	\$ 25,392
Depreciation	\$ 91,811
<b>TOTAL EXPENSE</b>	<b>\$ 201,975</b>

**NET INCOME \$ 40,340**

IMPACT FEE/EXPANSION INCOME	\$ 66,138
EXPANSION ACCOUNT INTEREST	\$ 679
EXPANSION EXPENSES	\$ (19,169)
DEVELOPER REIMBURSE	\$ (48,384)
<b>NET EXPANSION INCOME</b>	<b>\$ (736)</b>

- 10) Discussion/Decision: Review and approval of July 15, 2015 Minutes.
- 11) Discussion: The next regularly scheduled Board Meeting will be on the third Wednesday, September 2, 2015 at 7:00 PM
- 12) Motion to Adjourn