

**MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES, MIDVALLEY IMPROVEMENT DISTRICT, HELD AT 160 EAST 7800 SOUTH, MIDVALE UTAH 84047 ON May 10, 2023 AT THE TIME OF 12:00 NOON, PRUSUANT TO NOTICE.**

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**BOARD OF TRUSTEES PRESENT**

**SONDRA SMITH – CHAIR  
BLAKE ROEMMICH – VICE-CHAIR  
RONALD SPERRY - TRUSTEE**

**OTHERS PRESENT**

**MARK BELL – ATTORNEY (Excused at 12:40 PM)  
BRAD M POWELL, DISTRICT MANAGER  
JARED SYME, ASSISTANT DISTRICT MANAGER  
CATHY KINGSBURY, TREASURER  
BRENT E CHRISTENSEN, CHIEF FINANCIAL OFFICER, DISTRICT CLERK  
RICK CECALA – OPERATIONS SUPERVISOR**

Meeting was called to order at 12:10 PM by Chair Ms. Smith.

**1. PUBLIC COMMENTS/CERMONIES/PRESENTATION**

**AUDITOR’S REPORT – STEVE ROWLEY CPA (Audit Partner)**

- a. Ms. Smith welcomed Mr. Rowley with K&C Certified Public Accountants (K&C) to the meeting. Mr. Rowley stated K&C performed the financial statement audit for Midvalley Improvement District for the year ending December 31, 2022.

Mr. Rowley stated K&C staff worked closely with Midvalley Improvement District’s (MVDST) management and staff but the Board of Trustees is who K&C reports to.

The Auditor’s responsibility is to express opinions on the financial statements based on their audit. Mr. Rowley stated they performed their audit according to generally accepted auditing standards and government auditing standards which is detailed in his report. Mr. Rowley stated that his audit opinion expressed an unqualified opinion, or that the financial statements present fairly, in all material respects, the financial position of the District, the revenues and expenses, and the cash flows for the year.

Mr. Rowley stated in planning and performing the audit of the financial statements, they considered the District’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing the opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. The auditors also expressed opinions, as found in the Supplemental Report, on the District’s internal control and compliance with laws and regulations.

There were no material audit findings and no difficulties were encountered when conducting the audit, and the staff was very helpful in providing the auditors what was needed.

Mr. Rowley stated this was a very clean audit.

Mr. Rowley welcomed the Board to call him at any time if they have any concerns or questions.

The Board thanked Mr. Rowley for a great job and Mr. Christensen stated Mr. Rowley does a great job and is very thorough.

**2. MINUTES – APPROVAL**

- a. **Upon motion** made by Mr. Roemmich, seconded by Mr. Sperry and passed unanimously, the Board accepted the April 12, 2023 minutes as corrected.

<u>YEA</u>	<u>NAY</u>	<u>Abstain/Absent</u>
Ms. Smith		
Mr. Roemmich		
Mr. Sperry		

**3. ATTORNEY REPORT**

- a. Mr. Bell reported he is working on the Procurement Policy and will bring this item back to the next board meeting.

Mr. Bell asked to be excused, stating he has a conference call at his office. Mr. Bell stated if he is needed during this meeting, call him.

**4. GENERAL MANAGE/ENGINEERING REPORT**

- a. Mr. Syme reported on the progress of the District’s boundary adjustment. Mr. Syme stated that the boundary plot map has been approved through Salt Lake

County (the County) and the next step is to submit the plot plan to the cities and improvement districts involved for their approval and signature. Once we have the approval and signatures on the plot map it will be submitted to the Lieutenant Governor's office for final approval. After the Lieutenant Governor's approval, the District will need to hold a public hearing to adopt a resolution indicating the intent of the governing body to adjust a common boundary resolution.

Mr. Syme would request that the District's Board approve the plan pending final review from the County and authorize Mr. Powell to sign the plot plan mylar for submission to the Lieutenant Governor's office.

**Upon motion** made by Mr. Roemmich, seconded by Mr. Sperry and passed unanimously, the Board approved the mylar plat and authorizes Mr. Powell to sign the mylar for further submission to the Lieutenant Governor's office.

<u>Yea</u>	<u>Nay</u>	<u>Abstain/Absent</u>
<b>Board Members</b>		
Ms. Smith		
Mr. Roemmich		
Mr. Sperry		

- b. Mr. Syme reported that Planned & Engineering Construction (PEC) started the pipe-lining of our sewer lines today.
- c. Mr. Syme stated that the 2023 Manhole Rehabilitation Project bid opening was held on April 3, 2023 at 10:00 AM.

The apparent low bid for the 2023 Manhole Rehabilitation Project was Concrete Conservation, LLC in the amount of \$213,340.38. Aqua Engineering (District's engineering consultant) has reviewed Concrete Conservation's bid and qualifications and recommends that we award the project to Concrete Conservation based in Colorado. Aqua Engineering did find an error in the bid total; the actual bid total was reduced to \$204,590.38.

Mr. Roemmich questioned if an overlay is done on the road after the manhole has been rehabilitated who would pay for the repair of the manhole. Mr. Syme

stated in his experience the District has been responsible for the repair; he will look into having the responsible party of the overlay pay if repair is needed.

**Upon motion** made by Mr. Roemmich, seconded by Mr. Sperry and passed unanimously, the Board approved to award the 2023 Manhole Rehabilitation Project to Concrete Conservation in the amount of \$204,590.38.

Yea                      Nay                      Abstain/Absent

**Board Members**

Ms. Smith

Mr. Roemmich

Mr. Sperry

- d. Mr. Syme stated he would like to be proactive in hiring a new operator because of the future changes within the District’s personnel and with today’s job market, filling the position may be challenging. One of the biggest challenges is finding someone with a commercial driver license (CDL). Mr. Syme stated he would like to advertise for a Field Operator.

The range for compensation for an operator would be from \$20-\$30 per hour, depending on experience. Mr. Syme stated that currently other cities and districts in the area are also advertising for field operators. The District needs to be competitive with other entities when trying to hire a new operator.

**Upon motion** made by Mr. Sperry, seconded by Mr. Roemmich and passed unanimously, the Board approved Mr. Syme to place a job posting for a new Field Operator.

Yea                      Nay                      Abstain/Absent

**Board Members**

Ms. Smith

Mr. Roemmich

Mr. Sperry

- e. Mr. Syme stated that replacing the District’s two servers was discussed in April’s Board meeting and the Board approved the replacement. Mr. Syme talked with the District’s IT professional (Mr. Lalli) on replacing both servers, it was determined that only one server needed to be replaced. Mr. Syme reported that

replacing both servers was not as critical now that the District's data is being stored on our SAN system which was upgraded to last year.

- f. Mr. Powell stated 8 or 9 years ago the District needed to renew contracts with professionals, one being legal counsel. Mr. Powell stated the District is now at the end of its current 5-year legal counsel agreement with Hayes Godfrey Bell, P.C. (HGB). The District's procurement policy provides that we can enter a contract to continue HGB's legal services if there are circumstances that requiring a new Request for Proposal or Request for Statements of Qualifications is impractical. With management changes coming in 2023 and the associated institutional knowledge of the HGB, it would be in the best interest to continue HGB's legal services with the District.

Mr. Powell believes it would be in the best interest of the District to renew the contract with HGB for a period not to exceed five years. Mr. Powell has attached a letter explaining the reasons to continue the services with HGB.

Mr. Powell stated HGB's legal fees have not been raised in years and after talking with Mr. Bell, Mr. Powell will bring the recommended increase in legal fees back to the next Board meeting.

**Upon motion** made by Mr. Sperry, seconded by Mr. Roemmich and passed unanimously, the Board approved to continue to use the legal services of Hayes Godfrey Bell P.C. and that Midvalley Improvement District renew the contract with Hayes Godfrey Bell, P.C. for a period not to exceed 5 years.

Yea

Nay

Abstain/Absent

**Board Members**

Ms. Smith

Mr. Roemmich

Mr. Sperry

- g. Mr. Powell stated that the District has bought new iPhones and will be selling the used iPhones for \$200 if the Trustees are interested in purchasing one.

## **5. REVIEW, APPROVE AND RATIFY CASH DISBURSEMENTS**

**Upon motion** made by Mr. Roemmich, seconded by Mr. Sperry and passed unanimously, the Board ratified the April 2023 cash disbursements for \$300,911.78.

## **6. OFFICE REPORT**

- a. No Report

## **7. CHIEF FINANCIAL OFFICER**

- a. Mr. Christensen reported on the Balance Sheet two-year comparison report as of March 31, 2023 stating that not much has changed except for the PTIF #666 (District's savings account) is up just over a \$1,000,000 from last year. The increase is due to not being able to do all the pipe-lining and other major projects in past year and the treatment plant has not requested the anticipated funds for the District's share of their construction projects.

As Interest rates have dramatically increased this year, the District transferred a \$1,000,000 to the investment account and invested in two-year CD's (Federally insured) with the average interest rate of 4.92%.

- b. Mr. Christensen reported on the Profit & Loss YTD – Comparison to Prior Year report for January to March 2023. The sewer service fee revenue has increased 16% due to a rate increase of 14% and there has been new growth in the District in the last year.

Impact fee revenue is \$209,291 higher than last year. The District does not expect impact fee revenue to be consistent with the prior year as impact fee revenue is dependent on construction in the District.

- c. Mr. Christensen reported on the Profit & Loss YTD – Budget vs Actual report for January to March 2023. The only large over budget amounts are a result of the District receiving more impact fees than were budgeted and receiving more interest income than was anticipated due to the recent rise in interest rates.

## **8. SUPERVISOR'S REPORT**

- a. Mr. Cecala reported that construction in the District is picking up with the weather changing.

**9. TRUSTEES**

- a. No Comments

**10. CLOSED MEETING**

- a. No Closed Meeting

**11. ADJOURN**

- a. Adjourn at 1:31 PM and the next Board meeting will be June 14, 2023.