

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES, MIDVALLEY IMPROVEMENT DISTRICT, HELD AT 160 EAST 7800 SOUTH, MIDVALE UTAH 84047 ON NOVEMBER 15, 2023 AT THE TIME OF 4:00 PM, PURSUANT TO NOTICE.

BOARD OF TRUSTEES PRESENT

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

OTHERS PRESENT

**MARK BELL – ATTORNEY
JARED SYME, GENERAL MANAGER
CATHY KINGSBURY, TREASURER
BRENT E CHRISTENSEN, CHIEF FINANCIAL OFFICER, DISTRICT CLERK
RICK CECALA – OPERATIONS SUPERVISOR**

Meeting was called to order at 4:07 PM by Chair Smith.

Upon motion made by Mr. Sperry, seconded by Mr. Roemmich and passed unanimously, the Board moved to open the Public Budget Hearing.

1. PUBLIC HEARING 4:00 PM – 2024 OPERATING BUDGET

Ms. Smith stated the Board and District staff will discuss the 2024 Operating Budget.

Mr. Christensen stated the tentative budget for 2024 was discussed at the October board meeting and was approved. Mr. Christensen presented the 2024 Budget form (that will be submitted to the Utah State Auditor’s Office) and stated that there were no changes to the 2024 Tentative Budget amounts. He stated that there were several small adjustments to the Current Year Estimated amounts (showing estimated current year revenues and expenses), and some adjustments to the 2023 Adopted Budget amounts for the current year.

Ms. Smith stated there are no members of the public present to discuss the 2024 Budget.

Ms. Smith asked the Board if there were any questions on the 2024 Budget and both Mr. Roemmich and Mr. Sperry stated they did not have any questions on the 2024 Budget.

Upon motion made by Mr. Roemmich, seconded by Mr. Sperry and passed unanimously, the Board approved to close the Public Hearing and open the Public Meeting.

2. OPERATING BUDGETS

a. 2024 Operating Budget

Mr. Christensen stated that the District has complied with all laws, regulations, and posting requirement relating to the adoption of the 2024 operating budget. Mr. Christensen reminded the Trustees that the 2024 Budget can be changed or amended anytime up until December 31, 2024.

Upon motion made by Mr. Sperry, seconded by Mr. Roemmich and passed unanimously, the Board approved to adopt 2023-11-15A, A Resolution of the Midvalley Improvement District Adopting its 2024 Budget.

YEA

NAY

Abstain/Absent

Ms. Smith

Mr. Roemmich

Mr. Sperry

b. 2023 Operating Budget Amendment

Mr. Christensen stated that the District should amend the 2023 operating budget (current year's budget) as it appears that the total actual expenses could exceed the total budgeted expenses. The 2023 budget will be amended to increase the Sewage Treatment expenses by \$227,000 as a result of the District being assessed costs of the new Capital Facility Program at the treatment plant. This new program will be used to pay for future upgrades and repairs. The District did not budget for this program in the original budget.

The 2023 budget is also being amended to show an increase in Impact Fee Revenues and Other Non-Operating Revenues due to more impact fees being received and more interest income earned than was anticipated in the original budget. The total effect of all changes on the 2023 budget is an increase of \$93,000 in Net Income.

Upon motion made by Ms. Smith, seconded by Mr. Sperry and passed unanimously, the Board approved to adopt 2023-11-15B, A Resolution of the Midvalley Improvement District Amending its 2023 Budget.

YEA NAY Abstain/Absent
Ms. Smith
Mr. Roemmich
Mr. Sperry

3. PUBLIC COMMENTS/CEREMONIES/PRESENTATIONS

a. No public present

4. MINUTES – APPROVAL

Upon motion made by Mr. Roemmich, seconded by Mr. Sperry and passed unanimously, the Board accepted the October 18, 2023 minutes as revised.

YEA NAY Abstain/Absent
Ms. Smith
Mr. Roemmich
Mr. Sperry

5. ATTORNEY REPORT

a. Open and Public Meetings Training

Mr. Bell reported that the Midvalley Improvement District (District) Board meetings are open unless lawfully closed, and must have a quorum to have a public meeting. A public meeting requires 24-hours’ notice of the meeting with an agenda including the date, time and location of the meeting. The notice will need to be posted on the State Notice Public website, Midvalley Improvement District website and at a location in the District likely to be seen by District residents.

Mr. Bell stated the District will need to update the District’s electronic meeting policy. At the present time the District is not holding electronic meetings. If a Board member is not going to be available for a Board meeting the absent member may give another board member proxy to vote for the absent member if the District has a resolution identifies Proxy Voting. When in an electronic meeting and there is a vote that is not unanimous the Chair must take a roll call.

Class “A” notices (most of the District’s notices) must be posted on the State Public Notice Website, Midvalley Improvement District website and at a location in the District likely to be seen by District residents.

There was an item added to the closed-door meeting requirements that included loan applications.

The minutes to the public meeting must include each person attending, minutes must be available to the public within 3 business days after approval and minutes must be permanently retained.

Some reasons for a closed meeting would be: Individual's character, professional competence or physical or mental health, collective bargaining, litigation and real property purchase or sale.

Reasons prohibiting a closed meeting would be to interview a person applying to fill an elected position, discuss filling a midterm vacancy or temporary absence of a Board member.

b. Update and Discussion of Pending Matters

Mr. Bell reported he has been talking with Mr. Syme concerning procurement training and will try to get the training done within the next few weeks.

Mr. Bell would like to conduct the Ethics Training at the first of next year and would also like to include the District employees.

Mr. Bell reported that at the October Board Meeting he questioned Mr. Christensen whether or not the District needed to hold a public hearing on the District's fee increase. Mr. Bell stated that since the Board approved a 5-year plan for the fee increase last year there does not need to be a public hearing each year unless we change the amount of the increase.

6. GENERAL MANAGER'S REPORT

a. Vehicle Status

Mr. Syme stated the market for used trucks has dropped and the District has two trucks for sell at the present time. Mr. Syme's stated he ran an analysis on the truck we have for sell and trucks that have sold for \$64,000 are now selling for \$46,000-\$51,000.

b. 7500 S Sewer Upgrade Project

Mr. Syme stated that the District had its 30% design meeting on October 31, 2023 with our engineering firm, Aqua Engineering. Aqua Engineering is running ahead of schedule on this project. There is the possibility that the District may

be able to eliminate 2 to 3 manholes which would save the District \$8,000 per manhole.

Mr. Syme stated that all the blue staking has been completed and there are a few places that still need to be pot holed to verify utilities.

Mr. Syme believes we should have the 60% design meeting in the coming weeks and are still on schedule for bid release in January or February 2024.

c. Operator Hiring Status

Mr. Syme reported finding a qualified candidate has been challenging and he is still in looking for the right individual. Mr. Syme reported, in addition to advertising on KSL, he has also advertised on social media.

Mr. Roemmich stated his company uses recruiters and also offers a sign on bonus for experienced technicians. Mr. Roemmich also reported that his company offers incentives to his employees if they recommend someone and they are hired.

d. Sonetics Headphone Purchase

Mr. Syme reported that in the past few years our employees have seen a hearing safety product called Sonetics which is a hearing protection headphone. The Sonetics headphones allows the operators to communicate through noise-cancelling headphones.

Mr. Syme stated the District's cleaning truck is very loud during operation. The District's operators use earplugs while operating the cleaning truck which makes it challenging to communicate with radios.

Mr. Syme stated because of the safety issues while operating the cleaning truck he would like to purchase two headsets for the operators. This setup would also link to the District's existing radio.

Owens Equipment is a sole source vender for the product and the headsets would be ordered through the state contract. The cost of two headsets and a module (the module is a one-time purchase) would be \$5,149.95.

The Trustees agreed that the safety of the operators is their main concern and believes the headsets would help with that safety.

Upon motion made by Mr. Roemmich, seconded by Mr. Sperry and passed unanimously, the Board approved the purchase of two Sonetic Headphones and module from Owens Equipment in the amount of \$5,149.95.

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

e. Operations Assistant Supervisor

Mr. Syme stated he feels that the Operations Assistant Supervisor should be filled as soon as possible. Mr. Syme would like to go into a closed meeting to discuss this issue.

The Trustees decided the discussion of the Operations Assistant Supervisor be moved to the end of this meeting.

f. Mr. Powell’s Retirement Luncheon

Mr. Syme reported that Mr. Powell’s retirement lunch will be tomorrow, November 16th at noon. The lunch will be at Market Street Grill & Oyster Bar in Cottonwood Heights.

g. Holiday Luncheon

Mr. Syme reported that the holiday luncheon will be at Bandits Grill in Cottonwood Heights, December 13th at Noon.

7. REVIEW APPROVE AND RATIFY CASH DISBURSEMENTS

Upon motion made by Mr. Sperry, seconded by Mr. Roemmich and passed unanimously, the Board ratified the October 2023 cash disbursements for \$533,989.73.

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

8. OFFICE REPORT

a. Trustee Meeting Schedule – Resolution 2023-11-15C

Ms. Kingsbury presented a resolution to approve the 2024 Trustee Meeting Schedule.

Upon motion made by Mr. Roemmich seconded by Mr. Sperry and passed unanimously, the Board approved Resolution 2023-11-15C. A resolution adopting the Monthly Trustee Meeting Schedule for Calendar Year 2024; will meet the third Wednesday of the month at 4:00 PM.

Ms. Kingsbury reported there will need to be a meeting scheduled for December to canvass the 2023 election votes. Ms. Kingsbury will get back to the Board when she has an exact date for the meeting.

9. CHIEF FINANCIAL OFFICER

a. Fraud Risk Assessment

Mr. Christensen stated that once a year the State Auditor's office requires the District to do a Fraud Risk Assessment and Mr. Christensen stated the District has very good internal controls and scored "very low" on the Fraud Risk Assessment form. This form is signed by the General Manager, the Chief Financial Officer and will be submitted to the State Auditor's office.

Christensen stated that the Board should have already received the quarterly financial reports by email and they were also hand delivered to their homes.

b. Balance Sheet as of September 30, 2023

Mr. Christensen reported on the Balance Sheet as of September 30, 2023. He stated the "Balance Sheet" is everything the District owns and owes and the accumulation of current and prior year earnings. Mr. Christensen noted that the Balance Sheet shows a two-year comparison with a column showing the dollar change between years. Mr. Christensen stated there are no unexpected or unusual changes. Mr. Christensen pointed out that during the year one million dollars was moved from the savings account to the investment account in hopes of earning more interest income.

c. Profit & Loss Year-to-Date Comparison to Prior Year as of September 30, 2023

Mr. Christensen reported on the Profit & Loss Year-to-Date Comparison to Prior Year as of September 30, 2023. Mr. Christensen stated the increase in sewer service fees revenue was expected as the District increased sewer service fees in 2022. Mr. Christensen pointed out that the pipe-lining and manhole rehabilitation expenses were much higher in the current year as expected. Mr.

Christensen noted that the impact fee revenue and interest earnings were each up just over 200% from the prior year.

d. Profit & Loss Year-to-Date Budget vs Actual as of September 30, 2023

Mr. Christensen reported on Profit & Loss Year-to-Date Budget vs Actual as of September 30, 2023 report. The two major items that exceeded the budget were the impacts fee revenue and the interest income. The District always likes it when there is more income than budgeted. The majority of the other items are right in line with the budget.

10. SUPERVISOR'S REPORT

a. Construction in the District

Mr. Cecala reported construction is slowing down for the year and will pick up again as the weather warms up.

11. TRUSTEES

- a.** Ms. Smith had a question on the bike trail that Midvale City is putting down Maple Street. She stated at the end of Maple Street there is a gate and her question, will the District be able to get through and inspect the District's manholes? Mr. Cecala stated there is an easement and we will need to be able to access the property with our large trucks.

Mr. Syme will look into finding the recorded easement and Mr. Bell suggested hiring a title company to look into the easement.

Mr. Syme stated his thoughts are when Midvale City puts the project together, Midvale City's engineering will find the easement and come to us on the easement.

Mr. Bell suggested getting with Midvale City now and not wait.

12. CLOSED MEETING

a. Closed Meeting

Upon motion made by Mr. Sperry seconded by Mr. Roemmich and passed unanimously, the Board approved to go into a closed meeting.

The purpose of the closed meeting is to discuss the character, competence and health of one or more individuals.

Upon motion made by Mr. Roemmich seconded by Mr. Sperry and passed unanimously, the Board approved to go back into an open meeting.

Mr. Bell reported Board is now in an open meeting and the reason for the closed meeting was to discuss the character and competence of an individual to fill and open position within the District.

Upon motion made by Mr. Sperry, seconded by Mr. Roemmich and passed unanimously, the Board approved the movement of Collin Child as the new Operations Assistant Supervisor with a starting date of January 1, 2024 and starting salary of \$97,937.87.

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

13. ADJOURN

- a. Adjourn at 5:30 PM and the next Board meeting will be December 20, 2023.