

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES, MIDVALLEY IMPROVEMENT DISTRICT, HELD AT 160 EAST 7800 SOUTH, MIDVALE UTAH 84047 ON FEBRUARY 8, 2023 AT THE TIME OF 12:00 NOON, PRUSUANT TO NOTICE.

BOARD OF TRUSTEES PRESENT

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

OTHERS PRESENT

**MARK BELL – ATTORNEY (EXCUSED AT 12:45 PM)
BRAD M POWELL, DISTRICT MANAGER (EXCUSED)
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 12:05 PM by Chair Ms. Smith.

1. PUBLIC COMMENTS/CERMONIES/PRESENTATION

- a. No one in attendance.

2. MINUTES – APPROVAL

- a. **Upon motion** made by Mr. Roemmich, seconded by Mr. Sperry and passed unanimously, the Board accepted the January 11, 2023 minutes as corrected.

3. ATTORNEY REPORT

- a. Mr. Bell handed out a Legislative update and discussed some of the proposed House bills and Senate bills. Mr. Bell stated that he will bring the final versions back to the Board with the approved laws that have been passed and that will affect the District.

4. GENERAL MANAGER/ENGINEERING REPORT

Mr. Powell is excused from the meeting and Mr. Syme will do the General Manager/Engineering Report.

- a. Mr. Syme gave a vehicle update stating that the 2021 F150 Diesel Ford Platinum truck sold for \$60,000 on January 25, 2023. Mr. Syme stated that there will be another Ford truck up for sale in a week and that truck is a 2021 F-150 Powerboost.

- b.** Mr. Syme showed a map of the sewer lines in the District and stated that the District is required, by the insurance company, to clean the sewer lines once every 5-years. The map shows that the District should be done cleaning and televising our lines in under 2-years. The operators do a great job on the cleaning and televising of the sewer lines.

The Trustees praised the operators on doing such a great job keeping the lines clean and televised.

- c.** Mr. Syme reported that the Sam's Club CIPP & Manhole Rehab Project is now complete. Mr. Syme informed the District that the District received the final pay request from C&L, the contractor, for \$30,820.

Mr. Syme explained that the sewer lining for the Sam's Club Project were UV cured, this is different from what we have used in the past which was steam cured. When using the UV cured system the liner can be inspected before it is cured but with the steam cured the liner cannot be inspected before it is cured. The UV cured is a little more expensive but it is a great benefit to be able to inspect the line before it is cured. Mr. Syme showed the Board a before video of the line and a video taken of the pipe after the pipe had been lined. Mr. Syme stated that the District is thinking the new liner will extent the life of the pipe another 50 years.

- d.** Mr. Syme stated that after looking into the District's boundary description it was determined that there was a hand-written description of the District's boundary recorded with the Salt Lake County in 1947 but had not been updated since that time. Mr. Syme also found that there was not a map recorded showing the District's boundary based on the properties that the District services. After using the District's GIS system, it was found that there are approximately 60 parcels what are paying their property tax to the incorrect sewer entity that should come to the District. With the adjustment of the 60 parcels this may result in an increase to the District of tax revenue of approximately \$11,400 yearly. The increase in tax revenue should pay for the costs of adjusting the District's boundary within one year.

Mr. Syme has contacted JWO Engineers to help with updating and recording the boundary adjustment with the Lt. Governor's Office, with a deadline of December 2023.

Mr. Syme will keep the Board updated on the progress of this project.

- e. Mr. Syme reported on the progress of the CIPP project in the District. Mr. Syme stated the 2023 CIPP project will start on April 1, 2023. Ms. Smith asked if the District is using the same CIPP process as they have been using for the past 11 years. Mr. Syme stated that the only thing that has changed is the way the liner is cured; we are now using UV cured instead of the steam cured. The advantage of the UV cured system is the pipe can be inspected before it is cured. Mr. Syme believes all of the concrete pipe in the District should be lined within the next 8 to 10 years. Ms. Smith asked if the District will need to rehabilitate the clay pipes and Mr. Syme stated, no, the clay pipes would only need to be rehabilitated if they are structurally damaged; the main focus is the concrete pipes.
- f. Mr. Syme reported on the District's 2023 manhole project, stating he has attended seminars on Manhole Rehabilitation and he has become more familiar with available options. Mr. Syme stated he would like to be more proactive in starting to rehabilitation the manholes in the District. There is money budgeted for the 2023 CIPP Project and he feels there will be money left in the budget to start the manhole rehabilitation. Mr. Syme stated the monies left in the budget after the 2023 CIPP Project, would cover the rehabilitation of approximately 40 manholes.

Mr. Syme stated Magna City has rehabilitated approximately 200 manholes in their City using 3 different companies, Mr. Syme will talk with Magna and find out what process worked best for them and get their input on different materials they have used.

5. REVIEW, APPROVE AND RATIFY CASH DISBURSEMENTS

Upon motion made by Mr. Sperry, seconded by Mr. Roemmich and passed unanimously, the Board ratified the January 2023 cash disbursements for \$411,608.10.

6. OFFICE REPORT

- a. Ms. Kingsbury reported that she attended an election meeting with Salt Lake County; the District has one seat up for election this year. Ms. Kingsbury stated that she received a contract with the cost to have Salt Lake County run the election for the District of \$30,905. Ms. Kingsbury will bring the contract to the March Board meeting for the Trustees approval. Ms. Kingsbury also reported that there are 13,609 voters in the District.

The dates for anyone living in the District, that meets the candidate requirements, can come to the District's office to declare their candidacy from June 1-7, 2023.

7. CHIEF FINANCIAL OFFICER

Mr. Christensen stated that the Trustees have, prior to the meeting, received by email and hand delivery the reports that he will be discussing.

- a. Mr. Christensen reported on the Balance Sheet ending December 31, 2022 which shows everything the District owns and owes. Mr. Christensen stated that most accounts are comparable to the prior year. Mr. Christensen state the District is in financial good shape. The District is trying to stay proactive and spend money on rehabilitation projects that will extend the life of the sewer lines and manholes for decades.

The District's cash and savings accounts have increased due to not being able to spend all of the budget for pipe-lining and manhole rehabilitation projects in the prior year. Mr. Christensen also reminded the Board that the District collected the majority of the property tax revenues in November and December of last year and the majority of the money is in the District's saving account.

Mr. Christensen pointed out that the "Investments – Fair Value Adjust" account records the fair value of the investments above or below the actual cost (as required by accounting standards). He noted that the account fair value adjustment amount dropped down by \$213,507 from last year and this is a non-cash adjustment. The fair value of investments has gone down as interest rates have increased. The District anticipates holding all the investment until their maturity so there should be no actual loss on the investments.

Mr. Christensen pointed out that various accounts (assets and liabilities) related to the Utah Retirement Systems (URS) are only adjusted annually when the District received the yearly information from the URS in April of each year.

- b.** Mr. Christensen reported on the Profit & Loss – Comparison to Prior Year report for the year ending December 31, 2022. Mr. Christensen pointed out that there are explanations for all changes over 10% and over \$10,000 included with the report.

He noted that the Repairs and Maintenance expense increased as the District did not do any pipe-lining or manhole projects in the prior year.

He discussed that as interest rates have increased during the year, the interest income on the savings account and investment account have also increased resulting in an increase of interest income of \$58,964 from the prior year.

He discussed that the Gain on Sale of Assets of \$72,387 is due to selling 4 trucks at unusually favorable market conditions.

Mr. Christensen also briefly reviewed smaller changes in various report line items. Mr. Christensen reminded that Board that the District has budgeted for a net income to replenish the cash reserves that have been used for large project is the past several years.

- c.** Mr. Christensen reported on the Profit & Loss & - Budget vs Actual report for the year ending December 31, 2022. Mr. Christensen pointed out that there are explanations for all changes over 10% and over \$10,000 included with the report.

There is a large under budget amount of \$223,014 in the Sewage Treatment Fees expense due basing the budgeting on the Treatment Plant's budget. The Treat Plant tends to budget for higher amounts than they actually charge the District. This amount could increase or decrease by \$50,000 when the final amount is received after the treatment plant has completed their audit in April of this year.

Mr. Christensen noted that there is an under-budget amount of \$487,839 in the Repairs and Maintenance account as the District was unable to spend all of the budget on pipe-lining and manhole rehabilitation projects.

Mr. Christensen also briefly reviewed smaller actual to budget differences in various report line items on the report. Mr. Christensen stated that the District does budget conservatively higher in some expense accounts to provide for any emergencies and unforeseen costs.

- d. Mr. Christensen encouraged the Trustees to call him if they have any questions.

8. SUPERVISOR'S REPORT

- a. Mr. Syme reported that construction in the District is slow due to the cold and wet weather conditions.

9. TRUSTEES

- a. No Comments

10. CLOSED MEETING

- a. No Closed Meeting

11. ADJOURN

- a. Adjourn at 1:08 PM and the next Board meeting will be March 8, 2023.