

MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES, MIDVALLEY IMPROVEMENT DISTRICT, HELD AT 160 EAST 7800 SOUTH, MIDVALE UTAH 84047 ON MAY 8, 2019 AT THE TIME OF 12:00 NOON, PRUSUANT TO NOTICE.

BOARD OF TRUSTEES PRESENT

**QUINN SPERRY - CHAIRMAN
SONDRA SMITH
BLAKE ROEMMICH**

OTHERS PRESENT

**BRAD M. POWELL, DISTRICT MANAGER
CATHY KINGSBURY, TREASURER
BRENT E. CHRISTENSEN, CHIEF FINANCIAL OFFICER, DISTRICT CLERK
RICK CECALA, OPERATIONS SUPERVISOR
STEVE ROWLEY – KEDDINGTON & CHRISTENSEN, LLC**

Meeting was called to order at 12:09 PM by Chairman Quinn Sperry.

1. PUBLIC COMMENTS

No one in attendance

2. AUDITOR'S REPORT – STEVE ROWLEY CPA (KEDDINGTON & CHRISTENSEN, LLC)

- a. Mr. Sperry welcomed Mr. Rowley with Keddington and Christensen, LLC to the meeting. Mr. Rowley stated Keddington & Christensen, LLC performed the financial statement audit for Midvalley Improvement District for the year ending 2018. Mr. Rowley stated their job is to look over the District's financials and give their opinion to the Board. Mr. Rowley stated there were no problems with the District's internal controls and compliance and a "clean opinion" was given by Mr. Rowley.

Mr. Rowley stated part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, the auditors perform tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an object of the audit, and accordingly, do not express such an opinion. The results of the tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

There were no audit findings and no difficulties when conducting the audit; the staff was very helpful in providing the auditors what was needed. Mr. Rowley stated this was a very clean audit. Mr. Rowley state that he conducts a lot of audits of governmental entities and the District is one of the cleanest audits.

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

3. MINUTES

- a. **Upon motion** made by Ms. Smith, seconded by Mr. Roemmich and passed unanimously, the Board approved the minutes of the Board Meeting held on April 17, 2019.

4. GENERAL MANAGER/ENGINEERING REPORT

- a. Mr. Powell pointed out that the projector for presentations in the board room has been replaced with a TV monitor and it appears to be a clearer more focused picture. Mr. Powell stated we are expecting two new vehicles by the end of May. They are intended to replace vehicles numbers 1806 and 1807.
- b. Mr. Powell discussed the wage adjustment for Jay Shular. Mr. Shular started with the District on November 5, 2018 and had successfully completed his "introductory period" and is eligible for a \$1,000 per year increase in salary. Mr. Shular has completed a Bachelor of General Science degree and graduated on May 4, 2019. Mr. Shular is also a certified level 4 operator. Mr. Powell stated that in addition to the \$1,000 raise he would like to move Mr. Shular salary to a Grade 02 Step 2; he is presently at a Grade 01 Step 7. The grade and step increase along with the \$1,000 would give him a four percent increase.

Upon motion made by Mr. Roemmich, seconded by Ms. Smith and passed unanimously, the Board moves to give Mr. Shular the \$1,000 per year increase in salary plus the additional raise by moving him to Grade 02, Step 2 at \$4,625.08/month (\$26.68 per hour) for a total of a four percent increase in salary.

- c. Mr. Powell stated in the April Board meeting there was a discussion on the need to update Impact Fee Facility Plan (IFFP), Impact Fee Analysis (IFA), Sewer Rate Review, and recommendations for Engineering and Inspection fees for developments.

Mr. Powell met with Bowen Collins a couple of weeks ago and since the meeting Bowen Collins has put together a proposal which shows the scope of services with their fee being \$34,674.

Mr. Powell stated Bowen Collins will work with the water districts and cities in our sewer district area to make sure we have the correct water usage on the accounts that are being billed on water usage.

Bowen Collins schedule would be to have a public hearing in September and then there would be a 90 day period before the implementation of cost changes for impact fees and monthly service rates. We are planning on a January 1st date to apply any rate changes. It was suggested by Bowen Collins to have a review of the District's fees every 3 years.

Upon motion made by Ms. Smith, seconded by Mr. Roemmich and passed unanimously, the Board moves to approve the proposal from Bowen Collins to update our Impact Fee Facility Plan, Impact Fee Analysis, Sewer Rates, Engineering Inspection fee, and direct the General Manager to sign the Engineering Services Agreement.

- d. Mr. Powell will bring back the "Ethics Training Date" item after he confirms a date with Mr. Bell.
- e. Mr. Powell informed the Board there will be a First Aid/CPR Training at the District's office on May 14th conducted by Mr. Folsom with Utah Local Government Trust. All of the District employees will attend and the Board is also invited to the training.

5. REVIEW, APPROVE AND RATIFY CASH DISBURSEMENTS

- a. Upon Motion made by Ms. Smith, seconded by Mr. Roemmich and passed unanimously, the Board ratified the April 2019 cash disbursements for \$190,623.50.
- b. Upon Motion made by Ms. Smith, seconded by Mr. Roemmich and passed unanimously, the Board ratified the April 2019 employee earnings for \$65,792.

6. OFFICE REPORT

- a. No Report

7. CHIEF FINANCIAL OFFICER'S REPORT

- a. Mr. Christensen reviewed with the Board the first quarter balance sheet ending March 31, 2019. The report shows everything the District owns and everything owed. One major change on this report from previous reports is the District is starting to pay for sewage treatment plant upgrades; we have paid approximately \$148,000.
- b. The Profit & Loss Year-to-Date Comparison to the Prior Year report for the year, ending March 31, 2019, was presented by Mr. Christensen. Mr. Christensen stated there are

savings with the Early Retirement with Mr. Jones retiring and with Mr. Jones retiring we are paying less in salaries. General Liability Insurance is less than last year; the operators are participating in safety incentive plans that have resulted in cost saving rebates.

The District's impact fees are down but that is just a matter of timing, we have not collected any impact fees this quarter. Interest rates have risen from the prior year in both the Public Treasurer's Investment Fund and our District investments and we have seen an increase in our interest income. The District is up about \$16,000 on the Budget verses Actual report for the first quarter of 2019 on investment earnings.

8. SUPERVISOR'S REPORT

- a. Mr. Cecala reported due to the rain construction in the District has slowed down. Hillcrest High School has not tied into South Union Ave but the work is continuing on the project. A new project added this month is a 7-11 on the corner of 160 West 7200 South. M
- b. Mr. Sperry stated a possible new project would be across from Orchard Vista Subdivision off 7600 South 700 East.
- c. York Town at approximately 600 E Ft Union has installed the manhole, there are twelve units going in.

Adjourn Upon unanimous vote by the Board, the meeting was adjourned at 1:17 PM.