

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES, MIDVALLEY IMPROVEMENT DISTRICT, HELD AT 160 EAST 7800 SOUTH, MIDVALE UTAH 84047 ON May 15, 2024 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, DISTRICT MANAGER
CATHY KINGSBURY, TREASURER
BRENT E CHRISTENSEN, CHIEF FINANCIAL OFFICER, DISTRICT CLERK
RICK CECALA – OPERATIONS SUPERVISOR
STEVE ROWLEY – K&C CERTIFIED PUBLIC ACCOUNTANTS**

Meeting was called to order at 4:04 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, 2023.

Mr. Rowley stated K&C staff worked closely with Midvalley Improvement District’s (MVDST) management and staff but stated 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 are 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 and very knowledgeable about the government accounting rules as they have a lot of government clients.

2. MINUTES – APPROVAL

- a. Mr. Sperry asked if in the prior month’s minutes, under Attorney Report, HB-411 “Now allowing oral samples where in the past it was urine samples only”, Mr. Sperry thought oral samples should be identified. Mr. Bell stated that in the District’s policy it will be identified what oral samples will be.

Upon motion made by Mr. Roemmich, seconded by Mr. Sperry and passed unanimously, the Board accepted the March 20, 2024 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 stated he had nothing to report.

4. GENERAL MANAGER REPORT

- a. Mr. Syme updated the Board on the status of the District vehicles. The District received two new Chevrolet Trucks: One is a 1500 and the other is a 3500. There will be a Ford F150 Powerboost delivered later this summer or early fall.

Mr. Syme stated the District had a F150 Ford truck that sold for \$57,000 and there is a F350 Ford truck for sale with the asking price is \$89,500.

- b. Mr. Syme reported the District’s Sewer System Management Plan (SSMP) is required by the Division of Water Quality (DWQ) to be reviewed by the District every year and an audit of the plan every five years. An updated Resolution will need to be submitted to DWQ every five years. Mr. Syme stated there were not a lot of changes to the SSMP and stated the Board would review the plan and approve it through a Resolution.

Upon motion made by Mr. Sperry, seconded by Mr. Roemmich and passed unanimously, the Board passed Resolution 2024-05-15 A Resolution of the Board of Trustees of Midvalley Improvement District Approving the Implementation of the Sewer System Management Program (SSMP).

YEA

NAY

Abstain/Absent

Ms. Smith

Mr. Roemmich

Mr. Sperry

- c. Mr. Syme presented information on fees the District may be able to charge customers and contractors that we are not doing at the present time:

- Fees for Equipment Usage by Contractors:
The District has valuable equipment that can be utilized by contractors but would be operated by District Operators.
- Fee for Construction Projects in the District:
Implementing fees for construction projects that align with District standards.
- Fees for Office Procedures:
Fees for sewer service paid with a credit card over a specified dollar amount.
- Fees and Policy for Accessory Dwelling Units (ADU’s):

With the increase in ADU's, a policy and fee schedule specific to ADU's is necessary. This could include impact fees, inspections, other services or requirements for ADU construction.

These are just a few of the possible fees that the District needs to address.

Mr. Bell stated the District will need to identify what the District's cost will be for each of the above items and cannot charge above the actual cost.

To assist with this project, Mr. Syme has contracted with Jared Ordroid from JWO Engineers. Mr. Ordroid brings valuable expertise in operational analysis.

- d. Mr. Syme has been working with Garbett Homes on their Midvale Mill project located at 300 East 8000 South. Garbett Homes attempted to connect to the District's 8-inch line on the west side of the street but encountered an obstruction from an existing storm drain which made this connection impossible.

Garbett Homes and the District have come up with a solution to the problem and that would be connecting a new 8-inch main line to an existing, upstream 8-inch main line, and then eliminating the older 8-inch line downstream which currently has no lateral connections. The addition of the new 8-inch line will benefit both Garbett Homes and the District.

The financial impact on the District includes the cost for one manhole and a few sections of pipe needed to make the connections. Mr. Syme believes that is a win-win deal for the District and Garbett Homes.

Mr. Bell asked Mr. Syme if the District has any documentation on what the contractor will pay for and what the District's responsibility is on the new 8-inch line? Mr. Syme stated he has emails from Garbett Homes but he will send another email detailing what the District's responsibility for the new line will be.

- e. Mr. Syme stated the new House Bill 407 requires all government agencies to adopt ".gov" domains for enhanced security and credibility. Mr. Syme initiated the process of securing a .gov domain January of this year. During the request process, Mr. Syme found that the agency that governs the domain names is very restrictive on domains to make sure they do not align with other domains. Currently, Midvalley Improvement District uses "MVDST.com". Mr. Syme is proposing that the District's new domain be "midvalleysewer.gov".

Along with the domain change we are considering a name change to our District from “Midvalley Improvement District” to “Midvalley Sewer District”. This change is intended to accurately reflect the focus on “sewer” service and help to eliminate confusion regarding inquires of non- sewer related service calls.

The proposed renaming is expected to streamline communication, enhance public understanding of our services and align our name with the new domain.

All of the Trustees agreed that the name change to Midvalley Sewer District makes sense to help the public to understand that we are a sewer district only.

- f. Mr. Syme stated in July there are two holidays, 4th of July and Pioneer Day (July 24th). The July 4th falls on a Thursday and Pioneer Day falls on a Wednesday.

The District employees work a 4-day work week, a 10-hour work day schedule. With the crews schedule it would require the crew to work the day after both holidays heading into the weekend. Mr. Syme asked the Board to consider, for this year only, granting an additional day off for half the employees on July 5th and additional day off on July 23rd for the other half of the employees. This adjustment would allow our staff to enjoy a longer weekend surrounding their holiday.

It’s important to note that while this request primarily concerns our field crews, office personnel will have the flexibility to adjust their schedules, as necessary, to ensure operational continuity of the front office if they feel the need to do so.

Upon motion made by Mr. Roemmich, seconded by Mr. Sperry and passed unanimously, the Board approves that the Employees be given a day off on July 5, 2024 or July 23, 2024 as determined by their schedule and the General Manager.

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

5. REVIEW, APPROVE AND RATIFY CASH DISBURSEMENTS

Upon motion made by Mr. Sperry, seconded by Mr. Roemmich and passed unanimously, the Board approved the March 2024 cash disbursements for \$297,865.87.

YEA

NAY

Abstain/Absent

Ms. Smith

Mr. Roemmich

Mr. Sperry

Upon motion made by Mr. Sperry, seconded by Mr. Roemmich and passed unanimously, the Board approved the April 2024 cash disbursements for \$405,841.38.

YEA

NAY

Abstain/Absent

Ms. Smith

Mr. Roemmich

Mr. Sperry

6. OFFICE REPORT

- a. Ms. Kingsbury reported she is working on the lien list and will bring this item back to a future meeting.

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 two-year comparison report as of March 31, 2024 stating that most of the accounts are consistent with the prior year. The investment account has increased by \$1,218,072 which is due to the District moving \$1,000,000 from the savings account to the investment account during the later part of last year and the other \$218,072 is interest income that has been earned during the last year.

Mr. Christensen noted that the District expects to spend, this year, about \$885,000 on this year's pipe-lining project, about \$1,000,000 on the 7500 South

Upgrade Project, and about another \$102,000 on engineering services for the two projects.

- b. Mr. Christensen reported on the Profit & Loss YTD – Comparison to Prior Year report for January to March 2024. The sewer service fee revenue has increased 10.34% due to a rate increase of 10% and there has been some new growth in the District in the last year.

Impact fee revenue is \$138,059 lower 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.

Mr. Christensen noted that Interest Income is \$30,406 higher than last year as interest rates have increased slightly from the prior year and the District has more in the investment account than the prior year.

- c. Mr. Christensen reported on the Profit & Loss YTD – Budget vs Actual report for January to March 2024. Mr. Christensen noted that the majority of the accounts were in-line with the budgeted amounts. As expected, the only large variances from the budget were the impact fee income, which is hard to budget, and the interest income. Mr. Christensen stated that the District budgets conservatively for interest income as the District cannot predict where interest rates will be during the next year.

8. SUPERVISOR'S REPORT

- a. Mr. Cecala reported that construction in the District is picking up. The Midvale Mills Phase 1 project on 300 East 8000 South has been signed off on. There is a new project at 7635 South 300 East called Woodhaven which will be condos. The Valvoline Service Center at 652 East Ft Union Blvd is moving along. The newest project is KV Larsen at 963 East 8600 South, there will be 7 new homes built.

9. TRUSTEES

- a. No Report

10. CLOSED MEETING

- a. No Closed Meeting

11. ADJOURN

- a. Adjourn at 5:24 PM and the next Board meeting will be June 19, 2024 at 4:00 PM.