

MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES, MIDVALLEY IMPROVEMENT DISTRICT, HELD AT 160 EAST 7800 SOUTH, MIDVALE UTAH 84047 ON MAY 11, 2016 AT THE TIME OF 5:30 PM, PRUSUANT TO NOTICE.

BOARD OF TRUSTEES PRESENT

**BRENT W. SMART - CHAIRMAN
DAVID DAWES
QUINN SPERRY – Conference Call**

OTHERS PRESENT

**BRAD M. POWELL, DISTRICT MANAGER
CATHY KINGSBURY, OFFICE CLERK
BRENT CHRISTENSEN, CHIEF FINANCIAL OFFICER
MARC JONES, OPERATION'S SUPERVISOR**

GUEST

**Mr. Brent Packer – Bowen Collins & Associates
Mr. Andrew McKinnon – Bowen Collins & Associates
Mr. Spencer Evans – Cottonwood Improvement District
Ms. Newbold – 134 East 7660 South
Mr. Farnsworth – 7964 S Sunbird Way (Briarwood Springs)**

Meeting was called to order at 5:42 PM by Chairman Brent Smart.

MINUTES

Upon motion made by Mr. Dawes, Seconded by Mr. Smart and passed unanimously, the minutes of the Board Meeting held on April 13, 2016 was approved.

AWARD PRESENTATION

Mr. Smart presented Mr. Dawes with his 10-year Service Award. Mr. Smart stated that the District appreciates Mr. Dawes work and that he is a great asset to the District.

GENERAL MANAGER/ENGINEER

Mr. Powell stated he had posted, on the District's web site (mvdst.com), a single drawing showing the ownership of the sewer lateral. Mr. Powell explained that the homeowner is the owner of the sewer lateral and the District owns the sewer pipes where the lateral connects. Mr. Sperry ask Mr. Powell if Mr. Bell has seen the drawing and Mr. Powell stated he had sent Mr. Bell a copy.

Upon motion made by Mr. Dawes, Seconded by Mr. Sperry and passed unanimously, the approval of the notification of ownership of sewer laterals as posted on the District's web site.

Mr. Powell stated the 2015 Grand Cherokee Limited will be one-year old in June. A new Ford F150 has been ordered to replace the Grand Cherokee Limited. Mr. Powell would like to put the Grand Cherokee Limited up for sale on ksl.com and get quotes from local dealers. Mr. Powell recommended the vehicle be sold at \$34,995 or best offer and be sold to the highest bidder.

Upon motion made by Mr. Dawes, Seconded by Mr. Sperry and passed unanimously, to approve the General Manager to advertise the 2015 Jeep Grand Cherokee Limited on KSL.com for a minimum of two weeks for the amount of \$34,995 or best offer and the vehicle be sold to the highest offer. The vehicle may be sold immediately to the first offer of \$34,995.

Mr. Powell updated the Trustees on the status of Mr. Amaya's issue. The two parties could not agree on a dollar amount during mediation. Mr. Powell stated the District's attorney will ask for the case to be dismissed.

REVIEW AND APPROVE BILLS

Upon motion made by Mr. Dawes, Seconded by Mr. Smart and passed unanimously, to pay the April 14-May 6, 2016 bills for \$74,316.33 and ratify April 2016 payroll for \$56,433.

Upon motion made by Mr. Dawes, Seconded by Mr. Smart and passed unanimously, to move to item 6 on the Agenda.

OFFICE REPORT

Ms. Kingsbury stated the current folding/insert machine is old and worn out and will need to be replaced. Ms. Kingsbury stated there are two companies on the State contract and they are FPi and Pitney Bowes. The cost of the folding machine from FPi is \$8,778.90 and Pitney Bowes quote is \$8,722.50. Ms. Kingsbury recommends the FPi machine to be purchased.

Upon motion made by Mr. Dawes, Seconded by Mr. Smart and passed unanimously, to purchase the FPi in the amount of \$8,778.90.

Upon motion made by Mr. Smart, Seconded by Mr. Dawes and passed unanimously, to move out of public meeting in to the public hearing.

PUBLIC HEARING

Impact Fee Public Hearing - 6:00 PM

Bowen Collins & Associates presented the Impact Fee Facilities Plan and Impact Fee Analysis. The recommendation for the impact fee is \$1,426 which is down from the previous years of \$2,411. Mr. Powell explained the reason for the decrease in the amount of the impact fee is due to changes in the legislature. Ms. Newbold commented on the fairness of lowering the impact fee when previous home builders had to pay the impact fee at a higher rate.

Upon motion made by Mr. Sperry, Seconded by Mr. Dawes and passed unanimously, to close the public hearing and move back to the public meeting.

PUBLIC MEETING

Upon motion made by Mr. Sperry, Seconded by Mr. Dawes and passed unanimously, to adopt Resolution No. 2016-05-11-A A Resolution of the Board of Trustees of the Midvalley District Establishing an Impact Fee Policy, Approving and Impact Fees Facility Plan, Approving an Impact Fee Analysis, and Adopting Impact Fees on Development Activities within the Midvalley Improvement District.

Upon motion made by Mr. Dawes, Seconded by Mr. Smart and passed unanimously, to move to Item 9 on the Agenda.

OPERATION'S SUPERVISOR REPORT

Mr. Jones reported construction is very slow in the District. Mr. Jones also reported the slip-lining project should start Mid-June.

Upon motion made by Mr. Dawes, Seconded by Mr. Smart and passed unanimously, to move out of public meeting in to the public hearing.

PUBLIC HEARING

Sewer Rate Increase Resolution and Notice of Hearing – 6:10 PM

Mr. Smart welcomed Ms. Newbold and Mr. Farnsworth to the Public Hearing. Bowen Collins & Associates presented the proposed sewer rate increase for Midvalley Improvement District. A few of the reasons for the increase is the District has not raised rates in fourteen years and with inflation the District has had to take money from the reserve account to cover the cost of running the District. Another reason for the increase is South Valley Water Reclamation Facility (SVWRF) will be doing an upgrade to the plant which will cost approximately \$20 million and the District's portion will be \$1.4 million. The new regulations, mandated by EPA, will need to be complete by 2020. SVWRF has also

increased the cost of running the plant 20% yearly for the past few years. The estimated time to put the new increase in to effect would be September 1, 2016. The sewer service increase being presented to the Board is \$18.20 monthly for single homes and some nonresidential properties.

Upon motion made by Mr. Dawes, Seconded by Mr. Smart and passed unanimously, to close the public hearing and move back to the public meeting.

PUBLIC MEETING

Upon motion made by Mr. Dawes, Seconded by Mr. Sperry and passed unanimously, to adopt Resolution No. 2016-05-11-B, A Resolution of the Board of Trustees of the Midvalley Improvement District Approving a Sewer Rate Study and Adopting a New Monthly Service Fee.

CHIEF FINANCIAL OFFICER

Mr. Christensen reviewed the first quarter's financial reports. He pointed out items of interest on the *Balance Sheet*. He reported that the District has recorded a Net Pension Liability, as required by the new governmental accounting standards and the Utah State Retirement Systems (URS), of \$221,471. This liability is the District's proportionate share of the unfunded pension liability of the URS.

Mr. Christensen explained all large and/or unexpected changes on the *Profit & Loss – Comparison To Prior Year* and the *Profit & Loss - Budget to Actual* reports. He pointed out the Sewage Treatment expenses were lower than expected and budgeted. The District is getting billed an amount lower than anticipated based on the South Valley Water Reclamation Facility's budget for our District's share. Mr. Christensen also pointed out that impact fee income was substantially lower than the prior year, as was expected. He also pointed out that the District has more than doubled the investment interest income due to the District's new investments using investment advisors.

Mr. Christensen reported that a while back he researched the District's need to advertise in the white and yellow pages of the phone book and determined that there was not a need as the District has no other competition for sewer services in our area. Mr. Christensen cancelled our phone book advertising and that will save the District just over \$2,000 a year. He further noted that our District's phone number is still in the local phone book.

ADJOURN: 7:00 PM