

MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES, MIDVALLEY IMPROVEMENT DISTRICT, HELD AT 160 EAST 7800 SOUTH, MIDVALE UTAH 84047 ON SEPTEMBER 18, 2019 AT THE TIME OF 3:00 PM, PURSUANT TO NOTICE.

BOARD OF TRUSTEES PRESENT

**QUINN SPERRY – CHAIRMAN (ELECTRONIC)
SONDRA SMITH – ACTING CHAIRPERSON
BLAKE ROEMMICH**

OTHERS PRESENT

**MARK BELL - ATTORNEY
BRAD M. POWELL, DISTRICT MANAGER
CATHY KINGSBURY, TREASURER
BRENT E. CHRISTENSEN, CHIEF FINANCIAL OFFICER, DISTRICT CLERK
RICK CECALA, OPERATIONS SUPERVISOR**

Meeting was called to order at 3:10 PM by Ms. Smith.

1. PUBLIC COMMENTS

No one was in attendance from the public

2. MINUTES

- a. **Upon motion** made by Mr. Roemmich, Seconded by Ms. Smith and passed unanimously, the Board approved the minutes of the Board Meeting held on August 14, 2019 as written.

3. ATTORNEY REPORT

- a. Mr. Bell handed out the Ethics Training Policy and discussed the basics of the policy. Mr. Bell stated he would also like to conduct an Ethics Training for all the District employees.
- b. The purpose of the Act is to strengthen the faith and confidence of the people of Utah in the integrity of their government. Mr. Bell stated “perception matters” if our District is in the news, will it be reported unfairly.
Mr. Bell discussed a few possible violations of the Act:
Improperly disclose private, controlled or protected information gained by reason of official position.
Accepting employment or engage in any business or professional activity that would induce employee to improperly disclose controlled information gained by reason of official position.

Gifts, Compensation & Loans; it is an offense for a public officer or public employee to knowingly receive, accept, take, seek, or solicit, directly or indirectly for himself or another a gift of substantial value or substantial economic benefit.

There are exceptions: An occasional non-pecuniary gift, having a value of not in excess of \$50; an award publicly presented in recognition of public service, or any bona fide loan made in the ordinary course of business.

The District has a resolution #2019-8-14 which defines "authorized users"; elected or appointed officials and fulltime employees. This resolution prohibits personal financial gain or compensation or other exchange of value. Prohibits individuals not trained on equipment; backhoe, dump truck, cleaning/CCTV truck, compressors etc. from using equipment.

Mr. Bell handed out the "Ethics Disclosure Statement Draft" and asked the Board to review and see if it covers the bases of what should be done with the District employees.

4. GENERAL MANAGER/ENGINEERING REPORT

- a. Mr. Powell brought the Trustees up-to-date on vehicle status stating he will be ordering two new Ford trucks in January and put two trucks up for sale.
- b. Mr. Powell indicated the Impact Fees and Sewer Service Fees may go up some but is waiting for the report from Bowen Collins & Associates. Mr. Powell reported on advertising for an impact fee increase; public hearing must be advertised and there is a 90 day waiting period after the hearing before the increase. When it comes to sewer service rate increase, there is a 30 day waiting period after the public hearing.
- c. Mr. Powell stated on September 4, 2019 he received three proposals from engineering firms interested in designing the 7200 South Sewer Line Replacement Project. The firms are Aqua Engineering, Bowen Collins & Associates (BCA) and Project Engineering Consultant (PEC). Mr. Powell asked four people to review the proposals: Mr. Christensen, Mr. Cecala, Mr. Syme and Mr. Ludwig from Midvale City. Each proposal had a separate envelope with the cost proposed, the cost proposals were only see by Ms. Kingsbury and Mr. Powell.
The scoring was very close between PEC and BCA with Aqua Engineering being the lowest. PEC cost to do the design is more than 2.5 times the cost for BCA; PEC cost \$256,400, BCA cost \$100,600 and Aqua cost is \$79,160.
Mr. Powell would recommend BCA because the BCA and PEC are essentially equal but based on cost is should be BCA.

Upon Motion made by Mr. Roemmich, Seconded by Ms. Smith and passed unanimously, the Board approved to award the design of the 7200 South Sewer Line Replacement Project to Bowen Collins & Associates for the amount of \$100,600.

- d. Mr. Powell would like to schedule the December 11, 2019 District's Holiday Luncheon at Bandits and would like the Trustees input.
All the Trustees agreed to have the luncheon on December 11th, before the December Board meeting, at Bandits.

5. REVIEW, APPROVE AND RATIFY CASH DISBURSEMENTS

Upon Motion made by Mr. Roemmich, Seconded by Ms. Smith and passed unanimously, the Board ratified the August 2019 cash disbursements for \$435,284.48.

Upon Motion made by Mr. Roemmich, Seconded by Ms. Smith and passed unanimously, the Board ratified the August 2019 employee earnings for \$65,976.

6. OFFICE REPORT

Ms. Kingsbury reported delinquent accounts were certified with Salt Lake County Treasurer's office on September 13, 2019. The amount certified was just under \$40,000 which is 177 delinquent accounts.

7. CHIEF FINANCIAL OFFICER'S REPORT

Mr. Christensen discussed money coming into the District with 93% comes from property taxes and sewer service fees. To raise more money for upcoming projects in the District the Trustees will have to either raise property taxes or sewer fees or both.

There are four areas where money goes out of the District:

- Administrative & Operations
- Sewer Treatment costs
- Wages & Benefits costs
- Sewer Line Maintenance

Mr. Christensen noted that the District expenses have been running very frugally for many years. The District has done a good job of keeping expenses low. As the sewer system ages, the District is doing more sewer line maintenance than ever before. This is to be expected since many of the lines were built in the mid-1950s with many lines over 60 years old.

Mr. Christensen showed a graph of the total sewer fees (sewer fees and property taxes) that the 13 major governmental entities in the Salt Lake Valley are charging their citizens. Currently, the District is the 4th lowest. Mr. Christensen stated that it is hard to compare all the entities since the graph does not show which entities are going to raise their sewer service fees and/or property taxes in the near future. The graph also does not take into consideration which entities are going to bond for their regulatory required upgrades to the treatment plant or for sewer line maintenance. Entities that bond for their construction and maintenance costs will have to raise their sewer service fees to pay for the bond payments. The District is trying to avoid expensive bonding costs and interest expense by maintaining our case reserve fund at appropriate levels.

Mr. Christensen stated that he observed during his analysis of the sewer rates that entities with a lot of growth appear to be able to keep their fee lower. He gave the example of some large apartment complexes in the sewer district to the East and how their growth is providing a lot of sewer service revenue and impact fees and very little expense to their district. He concluded that since our District is mostly built-out, we have not been experiencing a lot of growth; therefore, it is harder for us to maintain lower service fees.

Mr. Christensen reported on projected projects for the District in the next 5 years. The upcoming projects, not including lining of the sewer pipes, are:

Costs for Maintenance Projects

Resurfacing District parking lot -	500,000
Fairmeadows Dr	532,000
Laser & sonar inspection of 36" pipe under Interstate 15	55,000
Costs for Capacity Deficiencies	3,530,000
Treatment Plant Capital Upgrades	1,650,000
Capital Maintenance Equipment	<u>375,000</u>
Total Estimated Capital Projects in next 5 years	<u>\$6,642,000</u>

The above does not include the "pipe-lining" budget of \$400,000 a year and the "manhole rehabilitation" budget of \$100,000 a year.

Mr. Christensen showed a 5 year capital project budget together which shows \$3,650,000 of additional capital projects that were newly identified in 2019.

Mr. Christensen showed a cash reserves chart that shows 2019 as high and that is because there was no monies used for pipe-lining but the reserve goes down every year after, this charts shows what will happen to the reserve if the District does not raise property tax or sewer rates. In five years the District will have depleted its cash reserves down to an estimated \$2,750,000 if the District does not increase its sewer service fees.

8. SUPERVISOR'S REPORT

Mr. Cecala reported construction in the District is moving along well. Mr. Cecala stated he has had trouble with the elementary school on 7800 South, the line they installed is broken but Mr. Cecala is working with the contractor to keep things moving.

9. TRUSTEE REPORT

Mr. Sperry asked Mr. Powell if Midvale City is working with the District when they work on manholes. Mr. Cecala stated Midvale City will keep the District updated on the raising of manholes and inspection of manholes.

Adjourn Upon unanimous vote by the Board, the meeting was adjourned at 4:23 PM. The next Board meeting will be **October 16, 2019 (third Wednesday) at 4:00 PM.**