

MINUTES OF THE ELECTRONIC MEETING OF THE BOARD OF TRUSTEES, MIDVALLEY IMPROVEMENT DISTRICT, HELD AT 160 EAST 7800 SOUTH, MIDVALE UTAH 84047 ON MAY 13, 2020 AT THE TIME OF 12:00 NOON, PRUSUANT TO NOTICE.

BOARD OF TRUSTEES PRESENT

SONDRA SMITH – CHAIR (Electronically on Zoom)
BLAKE ROEMMICH – VICE-CHAIR
RONALD SPERRY – (Electronically on Zoom)

OTHER PRESENT

MARK BELL – ATTORNEY (Electronically on Zoom)
BRAD M POWELL, DISTRICT MANAGER
CATHY KINGSBURY, TREASURER
BRENT E CHRISTENSEN, CHIEF FINANCIAL OFFICER, DISTRICT CLERK
STEVE ROWLEY CPA – KEDDINGTON & CHRISTENSEN (Electronically on Zoom)

Meeting was called to order at 12:00 PM by Board Chair Sondra Smith. Ms. Smith reported the meeting is being held electronically due to the Covid-19 virus. The anchor location for the meeting is at Midvalley Improvement District office located at 160 East 7800 South. The meeting was advertised as an electronic meeting to be held on Zoom with the information on how to attend the meeting using Zoom. Ms. Smith reported the April 8, 2020 meeting was cancelled due to the Coronavirus.

1. PUBLIC COMMENTS/CERMONIES/PRESENTATIONS

No one attending electronically on Zoom or at the District offices.

2. AUDITOR'S REPORT – STEVE ROWLEY CPA (AUDIT PARTNER)

- a. Ms. Smith welcomed Mr. Rowley with Keddington and Christensen to the meeting. Mr. Rowley stated Keddington & Christensen performed the financial statement audit for Midvalley Improvement District for the year ending 2019. Mr. Rowley stated they perform their audit according to general audit standards and government audit standards which is detailed in his report. Those standards require that Keddington and Christensen plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. However, providing an opinion on compliance with those provision was not an object of the audit, and accordingly, they 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 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.

Upon motion made by Ms. Smith, seconded by Mr. Sperry and passed unanimously, the Board accept the 2019 Financial Statements and Supplemental Reports.

3. MINUTES – APPROVAL

- a. **Upon motion** made by Mr. Sperry, seconded by Mr. Roemmich and passed unanimously, the Board accepted the March 11, 2020 minutes as written.

4. ATTORNEY REPORT

- a. Mr. Bell stated because of the Coronavirus pandemic he would like to postpone the Ethics Disclosure meeting with employees. Mr. Bell stated the meeting could be conducted on Zoom to accomplish the social distancing. The Ethics Disclosure Training will be conducted at a later date for both the employees and the Trustees.
- b. Mr. Bell provided a final written summary on the Legislative update – 2020 General Legislative Session. Mr. Bell stated over all the local districts faired fairly well in the latest Legislative Session. A lot of the session was concerning restructuring the tax system in the State and toward the end of the session most concerning was the coronavirus outbreak and how it was impacting the State.

Mr. Bell said one of the main concerns, which is being actively worked on by Utah Local Governments Trust and State Representative, was to protect the District if any easements are vacated by city actions. Mr. Bell stated he will monitor the easement vacate act and bring this back to the Board.

Mr. Bell handed out a Legislative Update for the 2020 Special Sessions. One House Bill of concern is HJR-301 which urges governmental agencies to cautiously spend remaining 2020 resources and avoid making commitments that will increase spending in 2021.

- c. Mr. Bell emailed a copy of The State’s Version 4.1 Phased Guidelines for the General Public and Businesses to Maximize Public Health and Economic

Reactivation to the Board. The recommendations on Version 4.1 for employers are all being followed by the District. The District is following social distancing and all employees are provided with protective equipment and wear.

- d. Mr. Bell updated the Board on the Procurement Policy and stated he has started the revisions to the policy and will have a draft to Mr. Powell within a week and will bring this item back to the Board.

5. GENERAL MANAGER/ENGINEER REPORT

- a. Mr. Powell stated that all District employees are back to work but the office staff is on alternate days off. Mr. Powell had emailed the Board memos showing work schedules for the employees at the beginning of the pandemic to everyone returning to work. At the beginning, the operators were asked to stay home but were on call and the office staff worked alternate days on. When work began back on May 1st a safety practice and guidelines were given to the employees to follow. The front door to the office has remained locked throughout and will remain locked until further notice. The drive-up window is open if any customer has questions or if they want to pay their bills.
- b. Mr. Powell updated the Board on the vehicle status stating at the end of February with 2 vehicles were ordered and were due in the end of May. Due to Coronavirus, Ford shutdown factories and would not ship until the end of August. Mr. Powell will cancel the orders and reorder next month and get 2021 models instead of the 2020 model. Mr. Powell stated the District has a silver Lariat up for sale but ended up selling the white Lariat truck that was the next one to be sold. The silver truck is still up for sale.
- c. Mr. Powell stated the projects are moving along very well with the 7200 South project on schedule with the completion date the end of July. Condie Construction has approximately two-thirds of the pipe installed. The contractor did run into some interesting conditions including very poor soils, unmarked waterlines, very old brick manholes and a redwood water line. Condie has submitted a pay request for \$886,101.38.

Upon motion made by Mr. Roemmich, seconded by Mr. Sperry and passed unanimously, the Board ratified payment in the amount of \$886,101.38 to Condie Construction Company for the 7200 South Sewer Line Project.

- d. Mr. Powell presented information on a GIS software upgrade stating when we purchased software in 2018 the District went with GraniteNet to incorporate GIS. With GraniteNet software we will be able to access all our inspection data in the field and log new data instantly and remotely. With the new software we will be

able to incorporate manhole rehabilitation and this will allow us to have all data needed about manholes before it is lined. We will be able to take pictures for records on what the manholes looked like before and after the lining is complete. Mr. Powell recommends the purchase of the additional software at \$13,654 which is a one-time purchase.

Upon motion made by Mr. Roemmich, seconded by Mr. Sperry and passed unanimously, the Board approved the purchase of the Web Inspection Portal, GraniteNet Inspection Implementation and three licenses of the Web Inspect Software from CUES in the amount of \$13,654.

- e. Mr. Powell discussed the District's website, mvdst.com, which was created approximately 8 years ago using Adobe Muse. About a year ago, Adobe stopped updating Muse and in March stopped supporting it altogether. Therefore, because our subscription was a monthly subscription, we can't renew it any longer and need to find a new local developer.

Mr. Powell has received a quote from a local developer, Webaholics, to completely re-do our web site and provide monthly support at a cost of \$2,850 for set-up and \$62.50/monthly after that to keep the site with current information.

Upon motion made by Mr. Roemmich, Seconded by Mr. Sperry and passed unanimously, the Board authorizes Mr. Powell to obtain a web design consultant not to exceed \$5,000 for set-up costs and not to exceed \$1,000/monthly maintenance fee.

- f. Mr. Powell stated he has received a couple of requests from customers and businesses for a payment relief due to the coronavirus pandemic. One of the requests was from Homewood Suites located at 844 E N Union Ave. They have their hotel vacant due to the pandemic and the distancing directives from the County and State. Mr. Powell stated the District does not get any payment relief from South Valley Water Reclamation facility so he told the gentleman that he would bring this item to the Board and get their recommendation on reducing their rates.

The Board wants to be sympathetic and give him a break, however, other businesses could make similar claims and the Trustees don't think the District could give everyone the same relief.

Mr. Christensen stated the District's cash demands are probably the highest it's been in 50-years with projects like 7200 South going on and we should collect what service fees are owed.

After a discussion with the Board it was decided the District could waive interest and penalty fees for up to 6 months.

Upon motion made by Ms. Smith, seconded by Mr. Sperry and passed unanimously, the Board approved to waive interest and penalty fees on late payments for 6 months.

6. REVIEW, APPROVE AND RATIFY CASH DISBURSEMENTS

Upon Motion made by Mr. Roemmich, seconded by Mr. Sperry and passed unanimously, the Board ratified the March 2020 cash disbursements as presented by the staff.

Upon Motion made by Mr. Roemmich, seconded by Mr. Sperry and passed unanimously, the Board ratified the March 2020 employee earnings as presented by the staff.

Upon Motion made by Mr. Roemmich, seconded by Mr. Sperry and passed unanimously, the Board ratified the April 2020 cash disbursements as presented by the staff.

Upon Motion made by Mr. Roemmich, seconded by Mr. Sperry and passed unanimously, the Board ratified the April 2020 employee earnings as presented by the staff.

7. OFFICE REPORT

No Report

8. CHIEF FINANCIAL OFFICER

- a. Mr. Christensen presented the balance sheet as of March 31, 2020. Mr. Christensen included the prior year balances for comparative purposes. Things are fairly consistent with the exception of the Capital Asset Sewer System Constructed which shows an increase of \$854,587 due to payments on the 7200 South construction project.

The District's investments have dropped from about \$7,545,000 to \$7,000,000 in the first three months as the District took \$545,000 out of the investments to pay for the construction in the District. The District have also been using last year's property tax money in the District's savings accounts to pay for construction projects.

- b. Mr. Christensen presented the Profit & Loss YTD – Comparison to Prior Year report for January to March 2020. This report shows this year’s money coming in and going out and compares this year’s amounts it to last year during the same period. The District’s Sewer Service Fees have gone up approximately 22%, which is expected base on the budget numbers received from the treatment plant.

The Repairs and Maintenance line item did go up and that is due to the District not slip lining in 2019 and doing slip lining in January and February of 2020.

The District Interest Income has dropped and that was expected since interest rates have dropped about 1.4% from the prior year on the Public Treasurers Investment Fund (District’s saving account) and about 0.75% in the investment account. The District has also been withdrawing funds from both accounts to pay for construction in the District resulting in lower balances on which interest is earned.

- c. Mr. Christensen presented the Profit & Loss YTD -Budget vs Actual report for January to March 2020 and stated the District is right on budget (the District only identifies variances that are greater than 10% and \$10,000 in the report).

The Office and Administrative expenses fluctuate during the year depending on purchases of computers, printers, software, and office supplies. The under-budget amount of \$13,118 is not unexpected.

Impact Fee revenue is down during the first quarter compared to 25% of the budgeted amount. The under-budget amount is not unexpected. It is interesting to note that the District did received \$219,000 in impact fees in the month of April, the majority of which was for the North Union Apartments.

- d. Mr. Christensen stated he would like to acknowledge Mr. Syme’s efforts on negotiating with the GIS software company to bring the price down \$8,000 from the original price.

9. SUPERVISOR’S REPORT – PRESENTED BY MR. POWELL

- a. Construction in the District hasn’t changed much but there is a project on 264 East 8000 South that is currently at the Midvale City Planning Department and has not been approved, Mr. Powell will keep on top of this project and bring it back to the Board if it gets approved.

ADJOURNED: 1:06 pm, the next Board meeting will be June 10, 2020.