

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

BOARD OF TRUSTEES PRESENT

**SONDRA SMITH – CHAIR
BLAKE ROEMMICH – VICE-CHAIR
RONALD SPERRY**

OTHER PRESENT

**MARK BELL – ATTORNEY (Electronically on Zoom)
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 12:02 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.

1. PUBLIC COMMENTS/CERMONIES/PRESENTATIONS

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

2. MINUTES – APPROVAL

- a. **Upon motion** made by Mr. Sperry, Seconded by Mr. Roemmich and passed unanimously, the Board accepted the June 10, 2020 minutes as written.

3. ATTORNEY REPORT

- a. Mr. Bell reported he emailed a “draft” copy of the District’s Procurement Policy to the Trustees and also a “draft” copy of the Evaluation Committee that handles procurement proceedings. Mr. Bell will work with Mr. Powell on the drafts and have it back to the Board for the September meeting for their consideration of adoption. The State is working on revising their procurement policy and Mr. Bell will watch for their final policy. Mr. Bell stated there are areas of the District’s policy that refer back to the State’s procurement policy.

Mr. Christensen questioned if the District needs an Evaluation Committee. Mr. Bell stated the State code requires the District to have an Evaluation Committee when there is a Request for Proposal process or a Statement Qualification process. If the District does not adopt their own rules then the District would automatically default to the State’s rules which could be more restrictive.

- b. Mr. Bell stated he will schedule the Ethics Training and Disclosure document for the employees at a later date.

4. GENERAL MANAGER/ENGINEERING REPORT

- a. Mr. Powell stated the vehicle status has not changed; we still have the 2019 F150 Lariat with a “for sale” sign in the window for \$41,000. Mr. Powell checked again with Edmunds and Kelly Blue Book and the third party retail value has gone back up from \$41,000 to \$45,000. Mr. Powell would like to re-advertise the truck on KSL and raise the price to \$45,000.

Mr. Powell stated the two new 2021 trucks should be delivered to the District by the end of October 2020.

- b. Mr. Powell reported Condie Construction Company (CCC) did a great job on the 7200 South Sewer Line Upgrade and the project is now complete.
Mr. Powell stated the pre-construction conference held in January 2020, the Midvale inspectors were there, including their City Engineer. Bowen Collins presented the patching method that would follow APWA Plan 255 except that the 4-foot mill to each side would be eliminated and the Contractor would do a slurry seal over the entire half of the road up to the south side of the center lane. Everyone, including the Midvale personnel at the meeting agreed to this. Midvale personnel were specifically asked if this was okay and they said, “Yes”. However, it appears that they forgot this change and directed the subcontractor to include the extra milling. Midvale’s inspectors directed the sub-contractor, Ridgeway Construction, to mill an additional 4-feet to each side of the trench (beyond the 2-feet already included in the bid) and to asphalt everything. In some cases they told the sub-contractor to even mill to the edge to a lane of traffic. Due to the extra work that Midvale’s inspector directed the sub-contractor to perform the District’s asphalt cost is nearly 200 percent higher than the original bid and resulted in a change-order of approximately \$400,000.

Another issue was with an unmarked live water line near Kneader’s Bakery. CCC hit the line during excavation and stopped work. The line crossed our line and then went parallel to our line for approximately 200 feet. The District called Midvale out to see if we could just repair the line and continue with the project. Midvale City inspector felt that the line was old and the joint could move and break. Therefore, Midvale said they wanted the 200 feet of pipe replaced. Mr. Powell was left with the opinion that Midvale City would pay for the water line replacement.

Mr. Powell talked to Midvale City personnel about reimbursement for the water line but none of the individuals would commit to paying.

Mr. Powell has sent a letter to Mayor Hale and Kane Loader, City Manager at Midvale City concerning both of the above issues. A meeting has been scheduled with the Midvale City for August 13th at 2:00 PM.

CCC has submitted a change order for both the water line and the additional asphalt. In addition, they have submitted a Final Pay Request, Pay Request #5, for the amount of \$690,454.72. The final cost of the project is \$3,453,789.59.

Upon Motion made by Mr. Roemmich, Seconded by Mr. Sperry and passed unanimously, the Board ratified the payment of \$690,454.73 to Condie Construction Company subject to the reimbursement from Midvale City that we are seeking in good faith.

c. Mr. Powell reported we are waiting for Midvale City to approve the plans for the District's Site Improvement project.

d. Mr. Powell stated in June we were notified from South Valley Water Reclamation Facility (SVWRF) that the District had high flows in May and first of June, over 5 mgd which is over twice what they normally are.

There has not been any significant rain since June and our flows were back to normal. Mr. Powell stated he believes the problem is due to infiltration from ground water. We have never had this problem in the past and the District is beginning to believe more that the recent earthquake caused some displacement in the outfall line which allowed groundwater to get in to the pipe.

Mr. Cecala has been working with Insituform, TRAX and Sunbelt and is arranging to open the east manhole to start the bypass which will go under TRAX as not to disrupt the train schedule. UTA is going to give us a "courtesy" permit to use two 12-inch storm drain lines that exist under the TRAX line for the bypass. The bypass will allow us to clean the line and get a good look at the possible problem and hopefully the whole line will not have to be lined. If the line does not have to be lined there is a chemical injection that could be injected into the pipe and will adhere to the cracks and seal the line. The injection into the lines would be a lot cheaper than if we have to do a complete liner.

e. Mr. Powell stated the District's new website is up and running and is working well. The District's Agendas and Minutes are posted on the site. The District's website is the same as before: mvdst.com.

f. Mr. Powell reported one of the District's employees was exposed to someone with COVID-19 and Mr. Powell asked the employee to stay home for the 14-days quarantine period. Mr. Roemmich asked since we told him to stay home was he paid or did he take medical leave? Mr. Powell stated the employee was paid for the time off and he ended up not contracting the virus.

5. REVIEW, APPROVE AND RATIFY CASH DISBURSEMENTS

Upon Motion made by Mr. Roemmich, Seconded by Mr. Sperry and passed unanimously, the Board ratified the June 2020 cash disbursements for \$1,061,865.84.

Upon Motion made by Mr. Roemmich, Seconded by Mr. Sperry and passed unanimously, the Board ratified the June 2020 employee earnings for \$73,289.

Upon Motion made by Mr. Sperry, Seconded by Mr. Roemmich and passed unanimously, the Board ratified the July 2020 cash disbursements for \$243,953.48.

Upon Motion made by Mr. Sperry, Seconded by Mr. Roemmich and passed unanimously, the Board ratified the July 2020 employee earnings for \$71,163.

6. OFFICE REPORT

- a. Ms. Kingsbury reported she will certify delinquent customer accounts with Salt Lake County the first of September. She stated there are approximately 242 delinquent accounts with \$70,000 to be liened.

7. CHIEF FINANCIAL OFFICER

- a. Mr. Christensen reported on the Balance Sheet Report for June 30, 2020 stating he put two years on the sheet this year for comparison purposes. Looking at the fixed assets the District has spent over \$2,600,000 on construction and that does not include the \$700,000 approved today. Mr. Christensen stated under "Other Assets" the "Prepaid – SVWRF 2018+" the District has paid our share of the construction at the treatment plant and this will be written off (amortized) over the term of the related bond for the project.
- b. Mr. Christensen presented the Profit & Loss – Comparison to Prior Year Report for 2nd Quarter 2020. Mr. Christensen stated there is not a significant difference in comparing this year to last year. There is a reduction in the Office & Administrative expense of about \$11,000 due to the fact that most of the Seminars and Education conferences have been canceled due to the pandemic, so there will be little expense this year.

Mr. Christensen stated the District received \$20,400 less in Motor Vehicle Tax revenue from the Salt Lake County Treasurer in the months of May and June. The amounts are collected and disbursed by Salt Lake County. The District does not know why this amount dropped and will continue to monitor the situation for several months as it may be a timing difference due to the pandemic.

Mr. Christensen reported the interest income revenue has decreased due to the District receiving less interest income than the prior year. The decrease is expected since interest rates have dropped about 1.35% on the Public Treasurers Investment Fund (short-term savings) and about 0.75% on the investments (long-term savings).

Additionally, since the District has paid out over \$3,400,000 in construction and treatment plant costs, the investment account balance has been reduced thereby reducing the District's investment income.

- c. Mr. Christensen presented the Profit & Loss – Budget to Actual report for the 2nd second quarter. Mr. Christensen pointed out the District's Health Insurance is less than originally budgeted due to insurance costs were less than originally budgeted. Also, the Office & Administrative expense was below budget due to the seminars and conferences that were cancelled due to the pandemic.
- d. Mr. Christensen showed a graph of the customer accounts receivable balances that were over 90 days past due. He noted that the current pandemic has not caused a noticeable change in the collections of the customer accounts receivables.

8. SUPERVISOR'S REPORT

Mr. Cecala reported there is a lot of construction going on in the District. Zupan Subdivision has started building with one home. The 7-Eleven on 7200 South 185 West has opened with gas pumps. Mr. Cecala reported Dutch Bros Coffee Shop at 7856 South 700 should be complete in 6-weeks. A new restaurant is going in at the Family Center on 7200 South, Cubby's has started building next to Chili's.

9. TRUSTEES

- a. No Report

10. CLOSED MEETING

- a. No Closed Meeting

ADJOURN: Upon unanimous vote by the Board, the meeting was adjourned at 1:00 PM. The next Board meeting is September 9, 2020 at Noon.