

**MINUTES OF THE ELECTRONIC MEETING OF THE BOARD OF TRUSTEES, MIDVALLEY IMPROVEMENT DISTRICT, HELD AT 160 EAST 7800 SOUTH, MIDVALE UTAH 84047 ON NOVEMBER 18, 2020 AT THE TIME OF 4:00 PM, PRUSUANT TO NOTICE.**

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**BOARD OF TRUSTEES PRESENT (ELECTRONICALLY)**

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

**OTHER PRESENT (ELECTRONICALLY)**

**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 4:10 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 Midvale Utah. 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 HEARING 4:10 PM – 2021 OPERATING BUDGET**

Ms. Smith stated the Board and District staff will discuss the 2021 Operating Budget. Ms. Smith stated the tentative 2021 budget was discussed at the October board meeting and was approved. Ms. Smith asked the Board if there were any questions on the 2021 Budget:

Mr. Sperry questioned Mr. Christensen concerning the employee benefits expense which is 67% of the salary expense amount, Mr. Sperry thought the percent appeared high. Mr. Sperry asked for the details of this benefit. Mr. Christensen stated the benefits are a combination of many expenses including: retirement with the Utah Retirement Systems, social security, health insurance, an estimated \$100,000 to Utah Retirement System for the District's share of the retired employees benefits, unused vacation time, unused sick leave, and employee life and disability insurance. Mr. Christensen feels the employee benefits expense as a percent of salary expense is comparable to other sewer districts in the area.

Mr. Christensen stated that health insurance has increased by about 5% this year. The increase is higher than prior years and probably due to Covid. Mr. Sperry asked if the District has looked into various health insurance plans. Mr. Christensen stated we are currently with PEHP, which is an interlocal agreement of all government entities. Mr. Christensen stated the District does have a good plan and most other districts in the area have about the same health plan as the District.

**Upon motion** made by Mr. Roemmich, seconded by Mr. Sperry and passed unanimously, the Board approved to go into the Public Hearing.

## **2. 2021 OPERATING BUDGET & RESOLUTION**

There was no one else participating online in the 2021 budget discussion.

**Upon motion** made by Mr. Roemmich, seconded by Mr. Sperry and passed unanimously, the Board approved to close the Public Hearing and open the Public Meeting.

**Upon motion** made by Mr. Sperry, seconded by Mr. Roemmich and passed unanimously, the Board approved to adopt 2020-11-18-A, a resolution of the Midvalley Improvement District Adopting its 2021 Budget.

Mr. Christensen stated the 2021 Budget can be changed or fine turned anytime up to December 31, 2021.

## **3. PUBLIC COMMENTS/CERMONIES/PRESENTATION**

- a. Mr. Jay Schular (District Operator) stated he graduated from Columbia College in 2019 with a Bachelor's Degree of General Studies with an emphases in business. Mr. Schular would like to continue his education and receive a Master's of Business Administration from Columbia College. Mr. Schular is asking the Trustees if that would qualify him for the education reimbursement in the Employee Manual.

Mr. Sperry asked Mr. Schular if he thought the classes he took and the ones he wishes to take will benefit the District and himself. Mr. Schular stated yes it would benefit himself and there are classes such as finance, budgeting, employee relations and ethics that could benefit the District.

Mr. Sperry asked what would be the cost to the District for the continued education and Mr. Shular stated as an alumni the college is offering a 20% grant and the approximate cost to the District would be \$14,000.

Mr. Bell suggested that the Board table this issue until he has time to look at the policy and is able to discuss it with the Board. This item will be brought back to the December board meeting

## **4. MINUTES**

- a. **Upon motion** made by Mr. Roemmich, seconded by Mr. Sperry and passed unanimously, the Board approved the minutes of the Board Meeting held on October 14, 2020 as written.

## 5. ATTORNEY REPORT

- a. Mr. Bell stated he has a new Procurement Policy for the District and there are a few changes he wanted to bring to the Trustees attention. Mr. Bell stated most purchases done through the District are with regards to the Procurement Policy are the small purchases, for example:
- Purchases with a maximum amount of \$5,000, the District may select the best source by direct award and without seeking competitive bids or quotes.
  - Purchases with a maximum amount of \$10,000 for multiple procurement item(s) purchased from one source at one time and \$10,000 for multiple individual procurement items, unless the procurement official determines a lesser amount should apply.
  - The annual cumulative threshold for non-design professional and non-construction small purchases from the same source is a maximum amount of \$60,000.
  - A new section to the policy covers vehicles, where multiple vehicles may be purchased in the same year and there shall be no same source limitation where the purchases is done under a qualifying cooperative contract or where a minimum of three written quotes supported by specification are obtained.
  - Purchases over \$60,000, the District, shall conduct an invitation for bids or other procurement process outline in the Act.
  - The small purchase threshold for design professional services is a maximum amount of \$150,000 per project. Services less than \$150,000 may be procured by direct negotiation after reviewing the qualifications of a minimum of two design professional firms. Design professional services \$150,000 or more shall follow the statement of qualifications process defined in the Act.
  - Small purchase threshold for construction projects up to a maximum of \$50,000 by direct award without seeking competitive bids or quotes.
  - Small purchase threshold for construction projects costing more than \$50,000 up to a maximum of \$150,000 by obtaining a minimum of two competitive quotes that utilize minimum specifications and shall make the award to the contractor with the lowest quote that meets the specification.
  - Exceptions to the Policy is generally going to be when there is Sole Source Contract Awards. Sole source Contract awards require written determination by the Procurement Official that there is no other source for the procurement item.
  - An Emergency Procurement may be used when necessary to: Avoid a lapse in critical government services; mitigate a circumstance that is likely to have a negative impact on public health, safety, welfare or property to protect the legal interest of the District.
  - Extra work and change orders are approved by the Procurement Official, up to 10% of the original contract amount, up to 25% may be approved after

consultation with or approval from the Chair of the Board and amounts exceeding 25% shall require the approval of the Board.

- Disposal of surplus property having a value of \$2,000 or less may be disposed of in a commercially reasonable manner as determined in the discretion of the procurement Official.
- Surplus property with a value in excess of \$2,000 may not be disposed of until the Board has declared the property to be surplus.

**Upon motion** made by Mr. Roemmich, seconded by Mr. Sperry and passed unanimously, the Board approved Resolution 2020-11-18-B. A Resolution of the Midvalley Improvement District adopting a Procurement Policy and Addendum for Evaluation of Submissions and Proposals.

## 6. GENERAL MANAGER/ENGINEERING REPORT

- a. Mr. Powell updated the Board on the CIPP lining outfall line and manhole (MH) A020 stating Insituform completed the lining of the outfall lines from MH A020 to the metering station. In addition, Insituform's subcontractor lined the bottom section of MH A020. However, they still need to complete the lining up to the large lid (approx. 10-feet).

The revised amount that includes lining the manhole is \$196,062. The District has already paid \$65,100, the balance owing is \$130,962 (this includes \$3,000 discount). The check has been cut but we are holding the check until the work is complete.

- b. Mr. Powell explained that the District will still be down one vehicle when we receive the two vehicles on order. Mr. Powell stated based on depreciation of the vehicles of the vehicles we have sold over the years we have made almost enough money to pay for a new vehicle.
- c. Mr. Powell updated the status on the sale of the Case 580 Super N backhoe, we have an offer of \$78,200, and the buyer will pay cash. Mr. Powell stated we received the John Deere Tractor on October 29, 2020.

**Upon motion** made by Mr. Roemmich, seconded by Mr. Sperry and passed unanimously, the Board approved the sale of the Case 580 N for \$78,200.

- d. Mr. Powell asked the Board to adopt a resolution approving Mr. Powell to be on the Utah Local Governments Trust (ULGT) Board with the ULGT reimbursing Mr. Powell \$300 per meeting. The ULGT Director has asked that each of their Board members ask their respective Boards to approve an annual compensation of \$300 per Board meeting.

**Upon motion** made by Ms. Smith, seconded by Mr. Roemmich and passed unanimously, the Board approved Resolution 2020-11-18-C, a resolution supporting the service of the District General Manager as a member of the Board of the Utah Local Governments Trust including the compensation of \$300 per Board Meeting for being on the Board for the remainder of 2020 and for the year 2021.

- e. Mr. Powell, per the Board's direction has updated the Policy Manual and Design Standard and Construction Specifications. There are a few changes and they are as follow:

Policy Manual:

Changed the distance between cleanouts to 200-feet for 4- inch laterals.  
Changed the drawing for laterals

Design Standards and Construction Specification Manual:

Changed the distance between cleanouts to 200-feet for 4- inch laterals.  
Changed the drawing for lateral  
Changed manholes to be "concentric"  
Removed old confusing and outdated drawings and replaced with our current drawings.

- f. Mr. Powell stated he received a quote from Smokin Star BBQ to cater the District's Holiday Luncheon in December. The cost for Smokin Star to deliver the food would be approximately \$500. Mr. Bell stated his office decided to have their holiday luncheon in July due to Covid-19. After a discussion among the Trustees, they all agreed to change the luncheon to a later date.

## 7. REVIEW, APPROVE AND RATIFY CASH DISBURSEMENTS

**Upon Motion** made by Mr. Sperry, Seconded by Mr. Roemmich and passed unanimously, the Board ratified the October 2020 cash disbursements for \$428,753.82.

**Upon Motion** made by Mr. Sperry, Seconded by Mr. Roemmich and passed unanimously, the Board ratified the October 2020 employee earnings for \$69,539.

## 8. OFFICE REPORT

- a. Ms. Kingsbury reported she has the 2021 Board Meeting Agenda Schedule and will email it to the Trustees and the Attorney. Ms. Kingsbury asked the Trustees and Attorney to let her know of any conflicts and she will bring this item back to the December Board meeting for their approval.

## 9. CHIEF FINANCIAL OFFICER REPORT

- a. Mr. Christensen reported on the Balance Sheet ending September 30, 2020, which shows everything the District owns and owes. Most accounts are comparable to the prior year. Mr. Christensen pointed out that the District has spent \$3,548,295 on the 7200 South Sewer Line Project and it is in the construction-in-progress area of the fixed assets. The Investments account has dropped by about \$3,050,000 from the prior year due to construction in the District. The District has also paid \$778,384 to the treatment plant for the District's share of the construction projects there. The District has no debt at this time, and the District will continue to use the cash reserves for as long as possible without incurring additional debt.
  
- b. Mr. Christensen handed out the Profit & Loss – Comparison to Prior Year report for January to September 2020. The report shows that the salary and wages expense and the employee benefits expense have not increased from the prior year. This is due to the employee early retirement program that the District implemented in the prior year.

The Repairs and Maintenance expense has increased due to the District incurring pipe-lining costs this year and the District did not have these costs in the prior year. The Office and Administrative expenses are less than the prior year due to the educational conferences and seminars being cancel during the pandemic

Mr. Christensen reported the interest income has decreased due to the District receiving less interest income than the prior year. The decrease is expected since interest rates have dropped and the District has paid out over \$4,200,000 in construction and treatment plant construction costs which has reduced the District's Investment account.

- c. Mr. Christensen handed out the Profit & Loss & - Budget vs Actual report for January to September 2020 and explained major over or under budget line items greater than 10% and \$10,000. Mr. Christensen pointed out the District's Health Insurance is less than originally budgeted due to lower than anticipated costs. Also, the Office & Administrative expenses were below budget due to the seminars and conferences that were cancelled during the pandemic.

The insurance expense is less than budget due to the District doing an excellent job of obtaining the maximum level of premium rebates and safety award credits of about \$7,800. Mr. Christensen pointed out that the District has received more impact fee income than was budgeted. The District has received impact fees from construction projects that the District was unaware of during the budget process in the prior year.

- d. Mr. Christensen stated that once a year (starting this year) the State Auditors request the District fill out the Fraud Risk Assessment form. Mr. Christensen stated that the District's score is 355 which is low. This score is one point from very low. The District would have to implement a formal audit committee to get enough points to be rated very low.

Mr. Bell will have a resolution written for the December 2020 Board meeting, for approval, establishing an audit committee.

**10. SUPERVISOR'S REPORT**

- a. Mr. Cecala reported construction is going well in the District with a few new impact fees being paid.

**11. TRUSTEES**

- a. The Trustees requested a copy of all the new construction in the District.

**12. CLOSED MEETING**

- a. No Closed Meeting

**ADJOURN:** Upon unanimous vote by the Board, the meeting was adjourned at 5:41 PM. The next Board meeting is December 9, 2020 at 12:00 Noon.