

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES, MIDVALLEY IMPROVEMENT DISTRICT, HELD AT 160 EAST 7800 SOUTH, MIDVALE UTAH 84047 ON FEBRUARY 21, 2024 AT THE TIME OF 4:00 PM, PURSUANT TO NOTICE.

BOARD OF TRUSTEES PRESENT

SONDRA SMITH – CHAIR (EXCUSED)
BLAKE ROEMMICH – VICE-CHAIR
RONALD SPERRY - TRUSTEE

OTHERS PRESENT

MARK BELL – ATTORNEY (EXCUSED)
JARED SYME - DISTRICT GENERAL MANAGER
CATHY KINGSBURY - TREASURER
BRENT E CHRISTENSEN - CHIEF FINANCIAL OFFICER, DISTRICT CLERK
RICK CECALA – OPERATIONS SUPERVISOR

Meeting was called to order at 4:01 PM by Vice-Chair Roemmich.

1. PUBLIC COMMENTS/CERMONIES/PRESENTATION

- a. No one in attendance.

2. MINUTES – APPROVAL

- a. **Upon motion** made by Mr. Sperry, seconded by Mr. Roemmich and passed unanimously, the Board accepted the January 17, 2024 minutes as corrected.

YEA

Mr. Roemmich

Mr. Sperry

NAY

Abstain/Absent

3. ATTORNEY REPORT (EXCUSED)

4. GENERAL MANAGER/ENGINEERING REPORT

- a. Mr. Syme reported to the Board on the sewer pipes and manholes the District maintains. Mr. Syme stated the District maintains 76.91 miles of pipe and 1,963 manholes.

Mr. Syme stated through the Slip Lining Projects the District has rehabilitated over 90% of the concrete pipes in the District with fiberglass lining which totals 14.6 miles of pipe. Mr. Syme estimates that the slip lining should be complete in 8-10 years if we keep at the current pace of 3-5 miles of pipe a year. Mr. Syme stated that the District is now rehabilitating manholes along with slip lining the pipes.

Mr. Sperry asked when was the last time the District had any trouble with one of our main lines? Mr. Syme stated that it has been over 15 years since we have had any trouble with the District lines.

- b.** Mr. Syme reported on the 2024 CIPP Project. Mr. Syme stated that the District's TV operators identified a small section of 8" pipe, Section 7287 (511 E. 8285 S.), urgently needing lining and is not part of the planned work for 2024. The planned work for 2024 is for 30" pipe and Section 7287 (511 E. 8285 S.) is 8" pipe. Ordering material for one section of 8" pipe would be costly.

Mr. Syme has talked with Aqua Engineering and they suggested combining Section 7287 (511 E. 8285 S.) 8" pipe with other sections and manholes in the same area in need of slip lining. Mr. Syme stated there are 5 other pipe sections and manholes in the area that have been identified as in need of rehabilitation. By ordering a full pallet of 8" pipelining material, the District can take advantage of a bulk discount and get better pricing and in the long run save the District money.

Mr. Christensen stated the budgeted amount for the 2024 CIPP Project is \$800,000 and with adding the 8" lines it will take the cost estimate to approximately \$1,100,000 which would be \$300,000 over budget. Mr. Christensen also stated that the 2023 CIPP Project came in at \$115,000 under budget last year, so with \$800,000 budgeted for this year and the savings from last year we would have \$915,000 for the 2024 project. With the emergency of the 8" line on the verge of collapsing the pipes should be lined and the budget can be adjusted later in the year when all the final costs are in.

Mr. Syme informed the Board that the 8" pipe project and the 30" pipe project went out to bid February 16, 2024; with a bid opening date of March 12, 2024.

Mr. Syme will bring this item back to the March 20, 2024 Board meeting.

- c. Mr. Syme gave an update on the District’s adjustment boundary project and a single parcel adjustment. Mr. Syme announced that all the involved entities have signed off on the new boundary map. The next step is to submit the map to the Lieutenant Governor’s office and from there it is forwarded to the County for recording.

Mr. Syme stated there was one parcel located at 8378 South 300 East that was incorrectly assigned, by Salt Lake County, to the District as the taxing entity; the correct taxing entity is Sandy Suburban Improvement District (SSID). Mr. Syme notified SSID of this discrepancy.

The home associated with this parcel (8378 South 300 East) has always paid their sewer service fees to SSID, which is the correct sewer district, the only adjust is that SSID will now get the property tax.

- d. Mr. Syme asked the Board to approve a resolution authorizing the exchange of the tax entity designation for 8378 South 300 East from Midvalley Improvement District to Sandy Suburban Improvement District.

Upon motion made by Mr. Sperry, seconded by Mr. Roemmich and passed unanimously, the Board approved Resolution 2024-02-21 A Resolution of the Board of Trustees of the Midvalley Improvement District Acknowledging and Approving a One-Parcel Change to the District’s Boundaries.

YEA

NAY

Abstain/Absent

Mr. Roemmich

Mr. Sperry

- e. Mr. Syme reported that he has been working on making minor adjustments to improving the District’s website. While in the process of improving the website, Mr. Syme received notification from the State that the District’s website was not in compliance with the Americans with Disabilities Act (ADA) and we lack a privacy policy on our website. These updates are required to be implemented by April 2024.

Mr. Syme felt in order to address the compliance issues and to improve our website overall, he explored alternative website options. Mr. Syme identified a company that specializes in websites for special service districts and they are called Streamline.

Streamline’s proposal for a new website is a \$1,500 set up fee and \$350 a month with a total annual fee of \$4,200. Mr. Syme sent an email and requested a lower price and Streamline came back with a revised bid of an annual fee of \$2,940 or \$245 a month. The Board congratulated Mr. Syme on the reduced cost. Mr. Syme signed an agreement to transition the website to Streamline.

Mr. Syme’s goal is to have the new website up and running within the next 90 days. The website change will not only ensure compliance with Federal and State regulations but also enhance the user experience for our visitors.

- f. Mr. Syme reported on three of the south shops’ garage door openers replacement request. Mr. Syme is requesting that the three garage door openers, that he would like replaced, are the openers that are most frequently used. Eventually all the other openers will need to be replaced; all the openers are over 25 years old.

Mr. Syme received two bids for the openers, his recommendation after reviewing the two bids is to purchase from HOJ Company in the amount of \$6,594.95.

In addition to HOJ’s quote, Mr. Syme would like to add an additional \$1,000 as a contingency for potential minor repairs or maintenance on the other doors, such as roller replacements.

Upon motion made by Mr. Roemmich, seconded by Mr. Sperry and passed unanimously, the Board approved to hire HOJ Company to replace three garage door openers in the amount of \$6,594.95, with the additional \$1,000 for possible minor maintenance on other doors in the shop.

YEA

Mr. Roemmich

Mr. Sperry

NAY

Abstain/Absent

5. REVIEW, APPROVE AND RATIFY CASH DISBURSEMENTS

- a. **Upon motion** made by Mr. Sperry, seconded by Mr. Roemmich and passed unanimously, the Board ratified the January 2024 cash disbursements for \$333,095.82.

YEA

Mr. Roemmich

Mr. Sperry

NAY

Abstain/Absent

6. OFFICE REPORT

- a. No Report.

7. CHIEF FINANCIAL OFFICER

Mr. Christensen stated that the Trustees have, prior to the meeting, received by email and hand delivery the reports that he will be discussing.

- a. Mr. Christensen reported on the Balance Sheet ending December 31, 2023 which shows everything the District owns and owes. Mr. Christensen stated that most accounts are comparable to the prior year. Mr. Christensen stated the District is in financial good condition.

Mr. Christensen noted that the Investment Account increased by \$1,197,414. The District moved one million dollars into the investment account during the year, and the other \$197,414 was interest earned during the year.

Mr. Christensen pointed out that the Investments – Fair Value Adjustment account records the fair value of the investments above or below the actual cost (as required by accounting standards). He noted that the account fair value adjustment amount decreased the negative amount by \$107,428 from last year and this is a non-cash adjustment.

Mr. Christensen pointed out that various accounts (assets and liabilities) related to the Utah Retirement Systems (URS) are only adjusted annually when the District received the yearly information from the URS in March of each year.

- b.** Mr. Christensen reported on the Profit & Loss – Comparison to Prior Year report for the year ending December 31, 2023. Mr. Christensen pointed out that there are explanations for all changes over 10% and over \$10,000 included with the report.

Mr. Christensen said the increase in Sewage Treatment Fees expense was expected as the Treatment Plant increased their monthly fee by about \$10,000 a month. During 2023, the Treatment Plant started their new Capital Facilities Program with an annual cost of about \$284,000. This program will pay for future upgrades at the Treatment Plant. The program is designed to make the required cash contributions, from the entities at the Treatment Plant, more manageable and allow them to be included in the entities' budgets.

Mr. Christensen pointed out that the Employee Benefits expense is not comparable to the prior year since the non-cash URS adjustments are not in the current year numbers yet. Mr. Christensen believes that the Employee Benefits expense will be lower than last year as the retiring general manager used up his vacation and medical leave. A good portion of the medical leave was expensed in prior years, this results in a reduction of the Compensated Absences expense.

Mr. Christensen discussed that as interest rates have increased during the year, the interest income on the savings account and investment account have also increased resulting in an increase of interest income of about \$45,000 from the prior year (without considering the effects of the fair value adjustment).

- c.** Mr. Christensen reported on the Profit & Loss - Budget vs Actual report for the year ending December 31, 2023. Mr. Christensen pointed out that there are explanations for all changes over 10% and over \$10,000 included with the report.

Mr. Christensen reported that the Employee Benefits expense is under budget as the budget did not include the effect of the retiring general manager using up his vacation and medical leave which reduces the Employee Benefits expense. This aspect was not included in the budget as the retiring general manager had not announced the timing of his retirement.

Mr. Christensen also briefly reviewed smaller actual to budget differences in various report line items on the report. Mr. Christensen stated that the District

does budget conservatively higher in some expense accounts to provide for any emergencies and unforeseen costs.

- d. Mr. Christensen informed the Board that the Audit will start the end of March and the Auditors should be reaching out to the Board with questions.

8. SUPERVISOR'S REPORT

- a. Mr. Cecala stated construction in the District will pick up as the weather changes. Mr. Cecala reported Midvale Mills has put in more foundations and there is a new remodel on 997 E South Union that is called Angel's Garage. There is new construction at 652 E Ft. Union which will be a Valvoline Service Center and they have their foundation in. Another new construction site will be at 180 West 7200 South, Sukiya Restaurant.

9. TRUSTEES

- a. No Report

10. CLOSED MEETING

- a. No Closed Meeting

11. ADJOURN

- a. Adjourn at 4:43 PM and the next Board meeting will be March 21, 2024.