**MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES, MIDVALLEY IMPROVEMENT DISTRICT, HELD AT 160 EAST 7800 SOUTH, MIDVALE UTAH 84047 ON MAY 11, 2022 AT THE TIME OF 12:00 NOON, PRUSUANT TO NOTICE.**

**BOARD OF TRUSTEES PRESENT**

**SONDRA SMITH – CHAIR**

**BLAKE ROEMMICH – VICE-CHAIR**

**RONALD SPERRY - TRUSTEE**

**OTHERS PRESENT**

**MARK BELL – ATTORNEY (Excused)**

**BRAD M POWELL, DISTRICT MANAGER**

**CATHY KINGSBURY, TREASURER**

**BRENT E CHRISTENSEN, CHIEF FINANCIAL OFFICER, DISTRICT CLERK**

**RICK CECALA – OPERATIONS SUPERVISOR**

**STEVE ROWLEY – KEDDINGTON & CHRISTENSEN, LLC**

Meeting was called to order at 12:05 PM by Board Chair Sondra Smith.

1. **AUDITOR’S REPORT – STEVE ROWLEY CPA (Audit Partner)**
	1. Ms. Smith welcomed Mr. Rowley with Keddington & Christensen, LLC to the meeting. Mr. Rowley stated Keddington & Christensen performed the financial statement audit for Midvalley Improvement District for the year ending December 31, 2021.

The Auditor’s responsibility is to express opinions on the financial statements based on their audit. Mr. Rowley stated they performed their audit according to generally accepted audit standards and government audit standards which is detailed in his report. Mr. Rowley stated that his audit opinion expressed an unqualified opinion, or that the financial statements present fairly, in all material respects, the financial position of the District, the revenues and expenses, and the cash flows for the year.

Mr. Rowley stated in planning and performing the audit of the financial statements, they considered the District’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing the opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. The auditors also expressed opinions, as found in the Supplemental Report, on the District’s internal control and compliance with laws and regulations.

There were no material audit findings and no difficulties were encountered when conducting the audit, and 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 and Mr. Christensen stated Mr. Rowley does a great job and is very thorough.

1. **PUBLIC COMMENTS/CERMONIES/PRESENTATION**
	1. No one in attendance.
2. **MINUTES – APPROVAL**
	1. **Upon motion** made by Mr. Sperry, seconded by Mr. Roemmich and passed unanimously, the Board accepted the April 13, 2022 minutes as corrected.
3. **ATTORNEY REPORT**

Excused

1. **GENERAL MANAGER/ENGINEERING REPORT**
	1. Mr. Powell reported that each year the Water Environment Association of Utah (WEAU) gives awards for outstanding operators and facilities. This year, Collin Child, one of Midvalley Improvement District’s operators, was awarded the Outstanding Operator for Collection Systems under 5MGD (million gallons a day).

In addition, Midvalley Improvement District received the Outstanding Collection System under 5 MGD. Mr. Powell stated he felt this is award is a tribute to all of the District’s operators for their outstanding work.

The Board congratulated Mr. Child for his award and the District for the Outstand Collection System under 5 MGD award.

* 1. Mr. Powell reported there are still two vehicles on order: A 2022 “allocation” F150 Lariat and the Super Duty; neither of the vehicles have been scheduled to be built by the manufacturer.

Mr. Powell also reported he was notified that Peterbilt has a chassis for the District which has a Paccar engine instead of the Cummins engine the District ordered. From discussions with Peterbilt, Mr. Powell is under the understanding the Paccar engine is as good as the Cummins. Mr. Powell told the representative with Peterbilt to go ahead with the order and the Paccar engine is being sent to the Vactor factory in Illinois.

* 1. Mr. Powell reported on the status of the Impact Fee Facilities Plan/User Fee. Mr. Powell stated the Master plan has been completed by Bowen & Collins and Mr. Powell has a copy of the plan on-line. Ms. Smith requested a copy of the Master Plan for herself and the other Board members.
	2. Mr. Powell updated the board on the Pipe Lining/Manhole Rehabilitation Project which is a three part project.

Part one or Project 1 included the rehabilitation of 12 manholes at a cost of $119,145; part two or Project 2 included an additional 7 manholes at a cost of $81,405; and part three or Project 3 called the “Sam’s Club Manhole and Pipe Rehab” project at a cost of $232,197.

C&L has now completed Project 2 and submitted a final pay for Project 2 for $26,023. C&L is now working on Project 3, Sam’s Club.

* 1. Mr. Powell stated the District’s ShoreTel phone system was bought by MiTel approximately 10 years ago and MiTel will be phasing out the ShoreTel system.

Mr. Powell presented three options to the Board for a new phone system:

* + - 1. Keep the system and upgrade the Windows Server 12 that makes the service run. The problem with this is the replacement phones are no longer available.
			2. Keep the phone system but upgrade to the MiTel software. We could keep the phones for about a year but would eventually have to purchase new phones and redo the way the lines come in to the office. The software cost is approximately $900 a year.
			3. Change to a cloud-based system. Both our current service providers, Allsteam and VLCM, can provide similar systems which would cost $9-$22 per user per month. The main difference between the two providers is that Allsteam rents the equipment to us (as part of the monthly fee) while VLCM would let us purchase them.

**Upon motion** made by Mr. Roemmich, seconded by Mr. Sperry and passed unanimously, the Board approved the General Manager to pursue replacing the District’s phone system with a cloud-base system with VLCM or Allstream and report back to the Board with pricing.

* 1. Mr. Powell reported on two new maintenance projects Bowen & Collins has identified:
		+ 1. Union Wood Dr., 450 East and 7720 South there is considerable infiltration. Both lines have been CIPP-lined and we can see water running on the outside of the liner (inside the pipe). Mr. Powell believes there could be as much as 100,000-200,000/gallons of water flowing through the line.

Mr. Powell would like to use either JWO or Aqua Engineering to put together a plan and specification and put it out to bid for the Union Wood Dr. Project. Mr. Powell anticipates that the engineering cost would be less than $25,000.

* + - 1. Mr. Powell stated there is approximately 5 miles of pipe in the District that has been identified that needs to be lined. Based on our past experience, Mr. Powell feels that using UV-cured CIPP is a better way to go then the stream-cured even if the cost is more.

**Upon motion** made by Mr. Roemmich, seconded by Mr. Sperry and passed unanimously, the Board approved for the General Manager to retain engineers from the District’s pool to put together plans and specifications for the Union Wood and the CIPP-lining projects and put them out to bid.

1. **REVIEW, APPROVE AND RATIFY CASH DISBURSEMENTS**

**Upon motion** made by Mr. Sperry, seconded by Mr. Roemmich and passed unanimously, the Board ratified the April 2022 cash disbursements for $424,130.65.

1. **OFFICE REPORT**
	1. No Report
2. **CHIEF FINANCIAL OFFICER REPORT**
	1. Mr. Christensen presented the balance sheet as of March 31, 2022. Mr. Christensen included the prior year balances for comparative purposes. Not much has changed from the previous year. The District did buy a couple of new vehicles and the District put in a new parking lot.
	2. Mr. Christensen reported on the Profit & Loss YTD - Comparison To Prior Year report. Mr. Christensen stated the decrease in insurance expense was expected as the liability and auto insurance annual year-end moved from December 31st to a June 30th year-end. The District will receive another bill in July for the second half of this year. The District does not anticipate a large increase in insurance costs.

Mr. Christensen stated under the “Gain or Loss on Sale of Assets” account this year’s gain on sale of assets is from the sale of two Ford F-150 pickups. In the prior year the District also sold two trucks, but due to unusual market conditions, the District has been able to realize larger gains than were anticipated when the trucks were bought several years ago.

Mr. Christensen reported “Impact Fee Income” is down from the previous year and the District knows it is hard to anticipate when impact fees will be paid for new construction.

* 1. Mr. Christensen reported on the Profit & Loss YTD – Budget vs Actual report. The only two areas that had large fluctuations from the budget were the “Impact Fee Income” and the “Gain or Loss on Sale of Assets”.
1. **SUPERVISOR’S REPORT**
	1. Mr. Cecala reported the development in the District is moving along. Caines Chicken Fingers on 900 E Fort Union Blvd has tied into the District’s main line and Mr. Powell reported he waived their fees if they would connect into North Union line.

Mr. Cecala reported the District Standards have changed; if a structure is torn down the contractor is now required to plug the existing line at the main.

1. **TRUSTEES**
	1. Ms. Smith reported on an article she read on flushable wipes. The article stated “the wipes on the market labeled as “flushable” are prone to getting stuck in the plumbing, forming clogs in sewer lines and causing mechanical failures for utilities.” Ms. Smith suggested the District put a notice with the sewer bills on the use of flushable wipes.
2. **CLOSED MEETING**
	1. No Closed Meeting

**ADJOURN:** Upon unanimous vote by the Board, the meeting was adjourned at 1:25 PM. The next Board meeting is June 8, 2022 at Noon.