

MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES, MIDVALLEY IMPROVEMENT DISTRICT, HELD AT 160 EAST 7800 SOUTH, MIDVALE UTAH 84047 ON MAY 10, 2017 AT THE TIME OF 12:00 Noon, PRUSUANT TO NOTICE.

BOARD OF TRUSTEES PRESENT

**QUINN SPERRY - CHAIRMAN
ROBERT HALE
SONDRA SMITH**

OTHERS PRESENT

**MARK F. BELL, DISTRICT ATTORNEY - EXCUSED
BRAD M. POWELL, DISTRICT MANAGER
CATHY KINGSBURY, OFFICE CLERK
BRENT CHRISTENSEN, CHIEF FINANCIAL OFFICER
MARC JONES, OPERATION'S SUPERVISOR
STEVE ROWLEY - KEDDINGTON & CHRISTENSEN, LLC
DAVE CLARK - KEDDINGTON & CHRISTENSEN, LLC**

Meeting was called to order at 12:06 PM by Chairman Quinn Sperry.

1. PUBLIC COMMENTS

No one in attendance

2. MINUTES

Upon motion made by Ms. Smith, Seconded by Mr. Hale and passed unanimously, the Board approved the minutes of the Board Meeting held on March 16, 2017 as corrected.

3. AUDITOR'S REPORT

Mr. Sperry welcomed Mr. Rowley and Mr. Clark with Keddington and Christensen, LLC to the meeting. Mr. Rowley stated Keddington & Christensen, LLC performed the financial statement audit for Midvalley Improvement District for the year ending 2016. Mr. Rowley stated their job is to look over the District's financials and give their opinion to the Board.

Mr. Rowley stated there were no problems with the District's internal controls and state compliance and a "clean opinion" was given by Mr. Rowley.

There were no audit findings and no difficulties when conducting the audit, the staff was very helpful in giving the auditors anything they asked for. Mr. Rowley stated this was a very clean audit.

Mr. Rowley stated there was a request from Chairman Sperry to look at the District's credit card purchases and payments over the year. Mr. Rowley stated he picked 14 statements throughout the year plus January and February of 2017 and found there were no issues with purchases, all receipts were accounted for. Mr. Rowley confirmed there were strong controls over credit card payments.

Mr. Rowley welcomed the board to call him at any time if they have any concerns or questions.

Upon motion made by Ms. Smith, Seconded by Mr. Hale and passed unanimously, the Board approved to accept the Financial Statement presented by Keddington and Christensen, LLC into the District's records along with the supplement report.

Mr. Christensen stated the report has been sent to the State Auditor's office and is on line for all to see.

4. GENERAL MANAGER'S REPORT

- a. Mr. Powell reported on the status of the purchase of the Vactor truck; the truck has been ordered through Legacy Equipment and the cost is \$419,526. The truck will be on a Freightliner chassis. The estimated time to receive the new Vactor is six to nine months from when the order was placed on April 10, 2017 (October 2017-January 2018 delivery).
- b. Mr. Powell stated he has been working with Horrocks Engineers to get the 2017 slip-lining project out for bid. Mr. Powell received the cost estimates from Horrocks; the costs are approximately \$700,000 and \$800,000 for steam-cured and UV-cured in place pipe (CIPP). The bid opening will be set for June 12, 2017. Mr. Powell will bring the results of the bid opening to the June board meeting.
- c. Mr. Powell updated the board on the building remodel. The new desk in the front reception area will be delivered May 11, 2017. There are a few carpet tiles that will need to be replaced and that should be complete before the next board meeting.
- d. The new F150 Ford truck has been ordered and should be built the week of May 22, 2017 and arrive at the dealer by the second week of June. The 2016 Ford truck was put on KSL for sale at \$33,000 and was sold over the weekend for the \$33,000. Mr. Powell would like the Boards approval to sale and purchase vehicles without waiting for Board meetings.

Upon motion made by Mr. Hale, Seconded by Ms. Smith and passed unanimously, the Board approved to allow the General Manager to sell District vehicles that have 12,000 miles or are at least 1-year old and purchase new replacement vehicles without waiting for approval at a Board meeting with purchase cost not to exceed \$45,000 each.

- e. Mr. Powell updated the Board on the Amaya issue stating the negotiations are close and would suggest going into a closed meeting.
- f. Mr. Powell stated UDOT is planning to construct an additional southbound lane on I-15, from the Spaghetti Bowl to south of 12300 South. The concern that involves us is our outfall follows the existing 7200 south off ramp with a manhole at the off ramp. This manhole and possibly the next downstream manhole will be in the proposed lane of traffic, which is unacceptable to us and UDOT.
UDOT is proposing an access manhole south and west of manhole A013 with a tunnel under the freeway for access. Mr. Powell stated there would need to be ventilation, lights and a means to get our cleaning hose into the manhole.
Ms. Smith suggested taking the line down 700 West and boring under the railroad tracks. Mr. Powell is not sure the railroad would be open to boring under their tracks, but he would bring the proposal to UDOT.
- g. Mr. Powell stated Mr. Bell has an Opinion Letter concerning the audit which states there were no issues or findings with the 2016 audit. The Board stated they would like a copy of the Opinion Letter.
- h. Mr. Powell reported Mr. Bell presented a proposal at the March meeting to retain Hayes Godfrey Bell, P.C. as legal counsel for the District.
Upon motion made by Mr. Hale, Seconded by Ms. Smith and passed unanimously, the Board approved to have Chairman Sperry renew the contract with Mr. Bell for the price quoted in letter.

5. REVIEW, APPROVE AND RATIFY CASH DISBURSEMENTS

Upon Motion made by Mr. Hale, Seconded by Ms. Smith and passed unanimously, the Board ratified the March 2017 cash disbursement for \$214,030.42, March 2017 employee earnings summary for \$65,973, April 2017 cash disbursement for \$178,827.19 and April 2017 employee earnings summary for \$62,223 as corrected.

6. OFFICE REPORT

- a. Ms. Kingsbury stated Salt Lake County sent a contract with the cost to run the election for the District; maximum cost is \$21,413.75. Mr. Hale stated he would not be running for the District's board because he will be running for Midvale Mayor and cannot run for both seats.

7. CHIEF FINANCIAL OFFICER'S REPORT

- a. Mr. Christensen explained the Profit & Loss YTD changes from the previous year. He stated the majority of the increase is due to the increase in service rates. The increase is to pay for slip lining the sewer lines.

8. SUPERVISOR'S REPORT

- a. Very little construction going on in the District; one duplex on 8000 South 100 East. Other construction projects are White Pines off of 8000 South (6 units) and 700 East 7900 South next to Good Earth (10 Units).

9. TRUSTEES

- a. Chairman Sperry stated the proposal for the Moore Property is 10 units an acre (east of Harmon's). There will be a total of 30-35 Twin homes constructed on the property.
- b. Ms. Smith thanked the staff for the good job they are doing.

10. CLOSED MEETING – 1:14 PM

Upon Motion made by Ms. Smith, Seconded by Mr. Hale and passed unanimously, the Board moved to go into a closed session to discuss pending litigation. Motion was made at 1:14 PM.

Upon Motion made by Mr. Hale, Seconded by Ms. Smith to move out of the closed door meeting and back into the open meeting. Motion was made at 1:25 PM

Adjourn Upon unanimous vote by the Board, the meeting was adjourned at 1:25 PM.