

MINUTES OF THE ELECTRONIC MEETING OF THE BOARD OF TRUSTEES, MIDVALLEY IMPROVEMENT DISTRICT, HELD AT 160 EAST 7800 SOUTH, MIDVALE UTAH 84047 ON OCTOBER 13, 2021 AT THE TIME OF 4:00 PM, PRUSUANT TO NOTICE.

BOARD OF TRUSTEES PRESENT

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

OTHER PRESENT

**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 4:05 PM by Chair Ms. Smith.

1. PUBLIC COMMENTS/CERMONIES/PRESENTATION

- a. No one in attendance.

2. MINUTES – APPROVAL

- a. **Upon motion** made by Mr. Roemmich, seconded by Ms. Smith and passed unanimously, the Board accepted the September minutes as written.

3. ATTORNEY REPORT

- a. Mr. Bell stated the Open Meeting Training was completed in May, the Ethics Disclosure Training for the employees is scheduled for October 27, 2021. Mr. Bell is working on the District's procurement rules and will have something to Mr. Powell in the next couple of weeks.

4. GENERAL MANAGER/ENGINEERING REPORT

- a. Mr. Powell reported on the vehicle status stating the F150 Truck has an estimated delivery of October 29, 2021. The F350, 2022 Super duty Ford truck is tentatively scheduled for delivery in May 2022. Two additional F150 Trucks are scheduled to be produced the first week in December.
- b. Mr. Powell reported all of the server internal network equipment is stalled; Mr. Lalli (District's IT person) reported to Mr. Powell the switch will need to be replaced, the switch is approximately twelve years old and does not support higher network speeds.

The cost of the new switch will be in the range of \$5,000-10,000. The total for the server internal network equipment and the switch will be approximately \$25,000.

Ms. Smith asked if the internal network equipment and switch are in the office budget and Mr. Christensen stated, the equipment was not in the 2021 budget but we couldn't take the chance of the server going down, so there is enough money in the budget to cover the cost.

- c. Mr. Powell stated after the completion of the District's Site Improvement project Mr. Powell went out and got quotes to paint the shop buildings (3) and the office building. Mr. Powell stated all the buildings are a different color and he would like them all to be the same color. Both Mr. Roemmich and Ms. Smith questioned if the buildings needed to be painted this year, as money was not scheduled in the budget for this project. The Trustees would like to table this item and bring it back for review next year.
- d. Mr. Powell presented his proposed wage adjustments for the 2022 year for all of the District employees.

Mr. Powell stated the District employees are a great asset to the District and he cannot give them enough praise for all they do. Mr. Powell would like to recommend that all employees receive a 4 percent market raise plus an additional merit raise of 2 percent as a step up on the Step and Grade chart we use, for a total of 6 percent increase. The exceptions to this are Mr. Christensen, the CFO, and Mr. Powell, the General Manager/Engineer and would recommend a 4% increase.

Mr. Powell stated that social security announced today that they are raising their rates 5.9% for 2022.

Ms. Smith requested a copy of the employee chart increase and asked that the approval of the recommended salary increase be postponed until the November's Board meeting when all three Trustees will be present, Mr. Roemmich agreed.

Mr. Christensen stated he and Mr. Powell attended South Valley Water Reclamation Facility (SVWRF) Board meeting and SVWRF is proposing an 8% salary increase. Mr. Christensen stated there is a labor shortage of operators and we would not want to lose any of our employees to other districts.

- e. Mr. Powell stated due to COVID-19 last year the District's holiday luncheon was canceled. Mr. Powell proposed we bring back the holiday luncheon and have it on the same day as the December 8, 2021 Board Meeting. Mr. Powell suggested we have the luncheon at Bandits where we have had it in the past.

Upon motion made by Mr. Roemmich, seconded by Ms. Smith and passed unanimously, the Board approved the Holiday Luncheon at Bandits on December 8, 2021.

5. REVIEW, APPROVE AND RATIFY CASH DISBURSEMENTS

- a. **Upon motion** made by Mr. Roemmich, Seconded by Ms. Smith and passed unanimously, the Board ratified the September 2021 cash disbursements for \$387,343.97

6. OFFICE REPORT

- a. No Report

7. CHIEF FINANCIAL OFFICER REPORT

Mr. Christensen passed around a sheet of the District's 2022 Tentative Budget. Mr. Christensen stated that prior to the meeting the Board should have received a printed copy, delivered to their homes, of the Tentative Budget and also a detailed tentative budget report that provides additional information. The following major budget line items were discussed:

- Mr. Christensen stated customer sewer fee rates will increase \$155,000 next year or a 5.45% increase. This increase was approved by the Board in November 2019 as part of a multi-year sewer fee rate plan.
- The sewage treatment plant expenses are budgeted to increase 3%, with \$50,000 of the increase a result of expensing the money the District has given to the treatment plant for construction and was set up as a Prepaid Disposal Plant Operations (prepaid asset account) and will be written off over the next 20 years.
- Salaries and wages will increase approximately 5.3%, if the increase Mr. Powell proposed is adopted. Employee benefits are scheduled to increase 6.3%; one reason the benefits went up is due to health insurance going up 4%. The increase is relatively low compared to other governmental entities in the area. Another reason for the increase is that a portion of Utah Retirement System's retirement expense is an unknown variable (the portion that the District is required to pay for the liability of future retired employee's payments) and is hard to predict, so the District has budgeted on the high side.
- Repairs and Maintenance expense is scheduled to go up because the District did not do any pipe-lining in 2021 and the District will make it up in the 2022 budget. The District has tentatively budgeted to spend \$1,200,000 (two years of projects) for pipe-lining and manhole rehabilitation projects.
- Mr. Christensen stated some of the District's sewer pipes are over 60 years old and some of the pipes will be under capacity because of the high-density buildings that are being built in our District. Mr. Powell would like to have Bowen and Collins Engineering

do another impact study, they would also be able to identify areas where there will be impacted by new growth in the district.

- Mr. Christensen reported the Legal & Accounting Services budget went down 43% because the District budgeted for some possible pending litigation in 2021 that did not occur.
- Property taxes are not budgeted to go up, the only time they will go up is when there is new growth in the District or the District actually raises the certified tax rate.
- Impact fees are hard to predict, last year's budget was to bring in \$100,000 but we have only received \$80,000 so far this year. In the prior year the District received over \$340,000 in impact fees. Budgeted impact fee revenue will remain the same as last year in the amount of \$100,000.

Mr. Christensen explained this "tentative" budget should be adopted today and he will bring an updated proposed final 2022 budget to the Board meeting in November for final approval. He also reminded the Board that they can change the 2022 budget at any time until the end of next year.

The Trustees thanked Mr. Christensen for his good work on the budget.

Upon motion made by Ms. Smith, seconded by Mr. Roemmich and passed unanimously, the Board approved the 2022 Tentative Budget as presented by Mr. Christensen.

8. SUPERVISOR'S REPORT

- a. Mr. Cecala reported on construction in the District stating the building has slowed because contractors are having trouble getting material due to a material shortage. Mr. Cecala reported 4 houses were torn down at 7200 South 550 East.

Lennon Lane at 455 East 7500 South is having trouble getting manholes.

Meadows on 7th (6790 S 700 E) is on hold waiting for windows.

9. TRUSTEES

- a. Ms. Smith asked about the multi-family project going in on Center and State Street. Mr. Powell stated this could be a problem for the District because there is a 10" sewer line at the proposed project which turns into an 8" line. Ms. Smith asked if we are going to have the capacity to handle the additional sewer flows and Mr. Powell stated he did not know. Mr. Bell stated the impact fees need to take care of as much as possible the cost

of enlarging the lines or the District may have to bond to upgrade the lines. Mr. Powell stated South Valley Sewer has the developer paying the cost to enlarge the lines.

Ms. Smith asked about the project North of Fort Union on 900 East next to Wendy's. Mr. Powell stated there may be a problem with capacity of the lines there if they put in multiple units, there is an office building on the property now that caught fire and has been vacant for over a year. Mr. Powell stated the District has an 8" line that services that property but it narrows down to a 6" line as it goes through the subdivision.

Mr. Powell stated he attended a meeting concerning property at The Family Center, Baby's R Us, the developer wants to put in an apartment complex which would be serviced by Cottonwood Improvement District but the developer would like to connect to our sewer line. Mr. Powell doesn't believe this is feasible since the apartment complex would be 10 feet below our sewer line.

10. CLOSED MEETING

- a. No Closed Meeting

ADJOURN: Upon unanimous vote by the Board, the meeting was adjourned at 4:49 PM. The next Board meeting is November 10, 2021 at Noon.