MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES, MIDVALLEY SEWER DISTRICT, HELD AT 160 EAST 7800 SOUTH, MIDVALE, UTAH 84047 ON MAY 14, 2025, AT THE TIME OF 12:00 PM, PURSUANT TO NOTICE.

BOARD OF TRUSTEES PRESENT

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

OTHERS PRESENT

MARK BELL – ATTORNEY
JARED SYME – GENERAL MANAGER
BRENT CHRISTENSEN – CHIEF FINANCIAL OFFICER, DISTRICT CLERK
RICK CECALA – OPERATIONS SUPERVISOR
ZETH DOCTER – TREASURER
COLLIN CHILD – ASSISTANT OPERATIONS SUPERVISOR
STEVE ROWLEY – AUDITOR

The meeting was called to order at 12:04 PM by Chair Smith.

1. **PUBLIC COMMENTS/CEREMONIES/PRESENTATION**

No one was in attendance.

2. **AUDITOR'S REPORT – STEVE ROWLEY CPA (Audit Partner)**

Ms. Smith welcomed Mr. Rowley with K&C Certified Public Accountants (K&C) to the meeting. Mr. Rowley stated that K&C performed the financial statement audit for Midvalley Sewer District (the District) for the year ending December 31, 2024.

Mr. Rowley stated that even though K&C staff works closely with the District's management and staff, the Board of Trustees are who K&C reports to.

Mr. Rowley explained that the auditor's responsibility is to express opinions on the financial statements based on their audit. Mr. Rowley stated that they performed their audit according to generally accepted auditing standards and government auditing standards which are detailed in his report. Mr. Rowley stated that his audit opinion expressed an unqualified opinion (a clean opinion), that the financial statements present fairly, in all material respects, the financial position of the District, the revenues and expenses, and the cash flow for the year.

Mr. Rowley stated that in planning and performing the audit of the financial statements, they considered the District's internal control over financial reporting 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 their Supplemental Report, on the District's internal control and compliance with laws and regulations.

Mr. Rowley stated that there were no audit findings, and no difficulties were encountered when conducting the audit, and the staff were very helpful in providing the auditors with what was needed in a timely manner.

Mr. Rowley stated that compared to many of his other governmental clients, the District has very good records. The records were very organized and complete, and this was a very clean audit.

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

The Board thanked Mr. Rowley for doing a great job and Mr. Christensen stated that Mr. Rowley does a great job and is very thorough and very knowledgeable about the government accounting rules, as they have a lot of government clients.

3. **MINUTES – APPROVAL**

Upon Motion made by Mr. Sperry, seconded by Mr. Roemmich, and passed unanimously, the Board accepted the April 9, 2025, minutes as written.

	YEA	NAY	ABSTAIN/ABSENT
Ms. Smith	X		
Mr. Roemmich	X		
Mr. Sperry	X		

4. **ATTORNEY REPORT**

a. Legislative Update

Mr. Bell reported on the 2025 Utah General Legislative Session. He stated that House Bill 139, Government Accounting, started off by mandating language that the General Manager and Chief Financial Officer must use in its reports to the State Auditor. Mr. Bell stated that the Utah Association of Special Districts allows it to read "as is" and that the State Auditor needs to work with those in the field and come up with appropriate language. Mr. Christensen stated that the District already uses a Financial Certification form provided by the State Auditor, and this is the form that will probably be updated.

Mr. Bell reported on House Bill 444, Data Privacy Amendments. He stated that the District will have to adopt a Data Privacy Policy by the end of 2025. Mr. Bell stated that there is a Data Privacy policy template available through the State of Utah on how the District stores its information.

Mr. Bell reported on Senate Bill 50, Board of Trustees Compensation. He stated that compensation was limited to $5,000 per year plus per diem travel to each Trustee. Mr. Bell stated that he recommends that each Trustee keep track of their time spent attending meetings, reading over documents, and any other issues with the District.

Mr. Bell reported on Senate Bill 277, Government Records Management Amendments. He stated that the State of Utah has eliminated the State Records Committee and created a Government Records Office and a Director. He stated that this will revise the appeal process for GRAMA appeals.

b. Election Agreement

Mr. Docter stated that he received the Interlocal Cooperation Agreement from Salt Lake County to administer the Board of Trustee elections. Mr. Bell reviewed and signed the agreement.

Upon motion made by Mr. Roemmich, seconded by Mr. Sperry and passed unanimously, the Board approved Resolution 2025-5-14B, approving and ratifying the Interlocal Cooperation Agreement between Midvalley Sewer District and Salt Lake County for election services.

	YEA	NAY	ABSTAIN/ABSENT
Ms. Smith	X		
Mr. Roemmich	X		
Mr. Sperry	X		

5. **GENERAL MANAGER REPORT**

a. Vehicle Fleet Update

Mr. Syme stated that the 2023 Ford F-150 was sold for the full asking price of $57,500. He stated that the 2025 Toyota Tundra was delivered and that the 2024 Toyota will be up for sale to the public during the month. Mr. Syme. stated that there are no other vehicle purchases or sales planned until early 2026. He stated that the new Rausch camera truck has been delivered.

b. POSM TO GRANITENET Software

Mr. Syme stated that with the purchase of the new Rausch truck, POSM is the inspection software that Rausch is partnered with. He stated after using POSM for a few months, there are issues with the District's operational needs or expectations. Mr. Syme stated that after having a discussion with POSM, the District submitted a formal request to return the software to POSM and revert to GraniteNet. He stated that the software transition remains within the original budget along with savings of $3,084.63.

c. WEAU Awards

Mr. Syme stated that every year the Water Environment Association of Utah (WEAU) has nominees for specific categories. He stated that the District had two employees nominated for the awards. One category is Operator of the year and the other is Supervisor of the year. Mr. Syme stated that Zeth Docter won the award for Operator of the year and Collin Child won the award for Supervisor of the year.

d. Ratification of Approved Engineering Services

Mr. Syme stated that in March 2022, under the direction of former General Manager, Brad Powell, the District initiated a for Request for Qualifications (RFQ) process for general engineering services. He stated that this was conducted in compliance with the Utah Procurement Code (Title 63G, Chapter 6A) to identify qualified engineering firms that the District could utilize for a five-year term.

Upon motion made by Mr. Sperry, seconded by Mr. Roemmich and passed unanimously, the Board approved Resolution 2025-5-14A, Ratifying the selection of Aqua Engineering, Bowen & Collins Associates, and JWO Engineers as the District's approved engineering firms, pursuant to the 2022 RFQ process, with the term of the General Engineering Services Agreements through March 2027.

	YEA	NAY	ABSTAIN/ABSENT
Ms. Smith	X		
Mr. Roemmich	X		
Mr. Sperry	X		

e. URS Required Employee Contribution Raise

Mr. Syme turned the time over to Mr. Christensen to explain the Utah Retirement System's (URS) required employee contributions. Mr. Christensen stated that the (URS) is requiring certain employees to pay an amount, out of their paychecks, to fund their retirement pensions.

This required contribution only affects employees that started after July 1, 2011, and that are in the Tier 2 Plan (Tier 2). The District has four Tier 2 employees. Since 2011, the District has paid 10% of the Tier 2 employees' wages to the URS to fund their pensions and plan costs. The Utah Code requires that if the plan costs were less than 10%, the difference is put into the employees' 401k. If the plan costs are greater than 10%, the employees will need to contribute to the URS.

The URS has informed government entities that Tier 2 plan costs are above 10%, and starting July 1, 2025 the Tier 2 employees will need to contribute 0.81% of their wages to the URS. The required employee contributions will need to be paid with after-tax dollars from their paychecks. Depending on the Tier 2 employee, they will pay between $440 to $840 a year. These estimated costs are before the District pays for any overtime or compensated absences (vacation or sick time).

The issue that arises is the Tier 1 employees' pensions are paid 100% by the District, and the Tier 2 employees will pay for a part of their pension costs. Mr. Christensen stated that he has talked to the finance officers of different organizations, including the URS, to see how they are handling this situation. Mr. Christensen stated that most of the other districts are giving their Tier 2 employees a 1% raise to offset most of the additional cost to their pension plan. The URS is also giving their Tier 2 employees a 1% raise.

If the District were to give the Tier 2 employees a 1% raise, the cost to the District would be about $3,800 a year before any overtime or any compensated absences are paid. The proposed 1% raise will not cover all the Tier 2 employees' required contributions. Depending on the employee, after a 1% raise, the required URS contribution cost to the Tier 2 employees will be between $32 to $173 a year.

Mr. Christensen also stated that if the Utah Code is changed in the future, to not charge Tier 2 employees after tax contributions, the District would reduce their Tier 2 employee wages by 1% or reduce the employees' next raise by 1%. The reduction of 1% of the Tier 2 employees' wages would not affect their net payroll check since the District would not be withholding the required URS employee contribution.

Upon Motion made by Mr. Roemmich, and seconded by Mr. Sperry, and passed unanimously, the Board approved a 1% pay raise to all Tier 2 Plan employees effective July 1, 2025.

	YEA	NAY	ABSTAIN/ABSENT
Ms. Smith	X		
Mr. Roemmich	X		
Mr. Sperry	X		

6. SOUTH VALLEY WATER RECLAMATION FACILITY (SVWRF) (Information & Update)

Mr. Syme stated that there are no updates at this time.

7. REVIEW, APPROVE AND RATIFY CASH DISBURSEMENTS

Upon Motion made by Mr. Sperry, seconded by Mr. Roemmich and passed unanimously, the Board approved the April 2025 cash disbursements for $337,499.18.

	YEA	NAY	ABSTAIN/ABSENT
Ms. Smith	X		
Mr. Roemmich	X		
Mr. Sperry	X		

8. OFFICE REPORT

Board Meeting Schedule

Mr. Syme stated that he would like to hold the Board Meetings on the second Wednesday of every month at 12:00PM. Mr. Bell stated that he can attend virtually the first hour of the meeting if there is a conflict in his schedule.

Upon Motion made by Mr. Roemmich, seconded by Mr. Sperry and passed unanimously, the Board approved the Board meeting schedule to remain on the second Wednesday of each month at 12:00PM.

	YEA	NAY	ABSTAIN/ABSENT
Ms. Smith	X		
Mr. Roemmich	X		
Mr. Sperry	X		

9. CHIEF FINANCIAL OFFICER REPORT

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

Balance Sheet Two-year Comparison

Mr. Christensen reported on the Balance Sheet Two-Year Comparison report as of March 31, 2025. Mr. Christensen stated that most of the accounts are consistent with the prior year and there were no unexpected fluctuations. Mr. Christensen pointed out that the $524,206 balance of accumulated costs of the

CIP 7500 S Sewer Line Project. The District expects to pay another $2,200,000 on the project.

Profit & Loss YTD – Comparison to Prior Year 1ST Quarter

Mr. Christensen reported on the Profit & Loss YTD – Comparison to Prior Year report for January to March 2025. Mr. Christensen stated that the sewer service fee revenue has increased 11.12% due to a rate increase of 10% and there has been some new growth in the District in the last year. He pointed out that the $109,078 balance of the Gain or Loss on Sales of Assets is from the sale of the CCTV Truck. The truck was sold for more than was estimated 10 years ago.

Profit & Loss YTD – Budget vs Actual 1ST Quarter

Mr. Christensen reported on the Profit & Loss YTD – Budget vs Actual report for January to March 2025. Mr. Christensen noted that most of the accounts were in line with the budgeted amounts. As expected, two large variances from the budget were the Impact Fee Income and Interest Income, both of which are hard to budget. Mr. Christensen stated that the District budgets conservatively for interest income as the District cannot predict where interest rates will be during the next year. He also pointed out that the District budgeted a small amount for the Gain or Loss on Sale of Asset account and the sale of the CCTV Truck was for more than was budgeted.

10. SUPERVISOR'S REPORT

Construction in the District

Mr. Cecala stated that the construction in the District is still slow but anticipates it to start picking up with the nicer weather. He stated that Highland Ridge is being torn down.

11. TRUSTEES

Mr. Sperry stated that he would like to have an agenda topic about installing a payment drop box. He stated that it would be more convenient for the customers to drop off their payment.

Mr. Sperry stated that he would like to be able to see the cash receivables in a report along with the cash disbursements. Mr. Christensen stated that 98% of the Districts cash receivables are from sewer service fees and impact fees.

Mr. Sperry stated that he would like to have the Trustees document their time for attending meetings, reading over documents, and travel expenses.

12. CLOSED MEETING– (if Necessary) – For the purpose(s) described in U.C.A. 52-4-205

Ms. Smith requested to close the open meeting and go into a closed meeting to discuss the character and professional competence of District employees.

Upon motion made by Mr. Roemmich and seconded by Mr. Sperry, and passed unanimously, the Board approved to close the open meeting and go into a closed meeting at 1:31 PM to discuss the character and professional competence of District employees.

	YEA	NAY	ABSTAIN/ABSENT
Ms. Smith	X		
Mr. Roemmich	X		
Mr. Sperry	X		

Attendance in the closed meeting – Ms. Smith, Mr. Roemmich, Mr. Sperry, Mr. Bell, Mr. Syme, and Mr. Christensen.

Upon motion made by Mr. Sperry and seconded by Mr. Roemmich, and passed unanimously, the Board approved to open the public meeting at 1:40 PM.

Mr. Sperry stated that the closed meeting pertained only to the character and professional competence of District employees.

	YEA	NAY	ABSTAIN/ABSENT
Ms. Smith	X		
Mr. Roemmich	X		
Mr. Sperry	X		

13. ADJOURN

a. The meeting was adjourned at 1:41 PM and the next Board meeting will be June 11, 2025, at 12:00 PM.