MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES, MIDVALLEY SEWER DISTRICT, HELD AT 160 EAST 7800 SOUTH, MIDVALE, UTAH 84047 ON OCTOBER 8, 2025, AT THE TIME OF 5:00 PM, PURSUANT TO NOTICE.

BOARD OF TRUSTEES PRESENT

SONDRA SMITH – CHAIR
BLAKE ROEMMICH – VICE-CHAIR

OTHERS PRESENT

MARK BELL – ATTORNEY
JARED SYME – GENERAL MANAGER
BRENT CHRISTENSEN – CHIEF FINANCIAL OFFICER, DISTRICT CLERK
RICK CECALA – OPERATIONS SUPERVISOR
ZETH DOCTER – TREASURER
ALEX HANSEN – RESIDENT

RON SPERRY – TRUSTEE (EXCUSED)

The meeting was called to order at 5:02 PM by Chair Smith

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

Chair Smith welcomed Mr. Hansen to the public meeting. Mr. Hansen stated that he has no comments or concerns at this time.

2. **MINUTES – APPROVAL**

Upon Motion made by Ms. Smith, seconded by Mr. Roemmich, and passed unanimously, the Board accepted the September 10, 2025, minutes as written.

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

3. ATTORNEY REPORT

a. AUTHORITY OF THE GENERAL MANAGER

Mr. Bell reported on the updates of the Board Meeting Policy. He stated that over the next month he will discuss these Rules and Regulations with Mr. Syme on how the Board Meetings should operate going forward and have a Resolution for one of the following meetings.

4. GENERAL MANAGER REPORT

a. 7500 SOUTH SEWER PROJECT

Mr. Syme stated that Newman Construction is in the final stage of the project and is expected to be 100% completed by the end of October.

Mr. Syme stated that he received a change order request for the project about the installation of the water line at the intersection of 7500 South State Street. He stated that he had a meeting with Newman Construction and Dan Woodbury, Aqua Engineering. Mr. Syme stated that there are some discrepancies with the change order and has asked Newman Construction to revise the amount. Mr. Syme stated that he will have an update for the November 12, 2025 meeting.

b. 2025 HOLIDAY SCHEDULE

Mr. Syme noted that in previous years, the District has adjusted the work schedule when Christmas and New Year's fall near the end of the week. He proposed that the District remain closed on Friday, December 26, 2025, and Friday, January 2, 2026.

Upon Motion made by Mr. Roemmich, seconded by Ms. Smith and passed unanimously, the Board approved December 26, 2025, and January 2, 2026, as paid days off for all employees. Field staff, on a 4/10 schedule, will observe these as scheduled days off, while office staff will have the option to take these days off at a later date.

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

c. 2025 CIPP PROJECT

Mr. Syme stated that the 2025 Cured-In-Place Pipe (CIPP) rehabilitation project is currently underway and has a completion date of November 9, 2025.

d. RATIFY RESOLUTION 2025-10-08B

Mr. Syme stated that this resolution, implementing Commercial Sewer Billing based on indoor water use and Equivalent Residential Units (ERUs), was presented and approved by the Board at the September 10, 2025, meeting.

Upon Motion made by Mr. Roemmich, seconded by Ms. Smith and passed unanimously, the Board ratified Resolution No. 2025-10-08B, implementing Commercial Sewer Billing based on indoor water use and Equivalent Residential Units, as presented and approved at the September 10, 2025, meeting.

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

e. IMPACT FEE ANALYSIS – RESOLUTION 2025-10-08A

Mr. Syme noted that the Trustees would need to adopt the new impact fee facilities plan and related impact fees, as presented in the Public Hearing held today, by resolution.

Upon Motion made by Mr. Roemmich, seconded by Ms. Smith and passed unanimously, the Board approved and adopted Resolution No. 2025-10-08A, the Amendment to the Impact Fee Facilities Plan and Impact Fee Analysis as prepared by Bowen Collins & Associates, and adopting the updated impact fee schedule, effective January 7, 2026.

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

f. 2026 WAGES

Mr. Syme stated in accordance with the Utah Open and Public Meetings Act (Utah Code Section 52-4-205), Mr. Syme requested that the Board enter a closed meeting to discuss the character, professional competence, or physical or mental health of individual employees. This discussion will allow the Board and Staff to review compensation adjustments and market alignment for the specific positions.

Upon Motion made by Mr. Roemmich, seconded by Ms. Smith and passed unanimously, the Board moved to postpone the 2026 Wages item until Agenda Item 11 "Closed Meeting". (See Agenda item 11 below).

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

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

Mr. Syme stated that at the recent South Valley Water Reclamation Facility (SVWRF) board meeting, Bowen & Collins presented their assessment of the C-2 Line and Canal Siphon. He stated that the trunk line from 400 West to the Siphon is in great condition considering how old the line is and the consistent flow that the line receives. Mr. Syme stated that Bowen & Collins mentioned the condition of the Siphon and recommended the Siphon to be rehabilitated by 2029.

6. REVIEW, APPROVE AND RATIFY CASH DISBURSEMENTS

Upon Motion made by Ms. Smith, seconded by Mr. Roemmich and passed unanimously, the Board approved the September 2025 cash disbursements for $873,749.20.

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

7. OFFICE REPORT

a. HOLIDAY LUNCHEON SCHEDULING

Mr. Docter stated that the Employee Holiday Luncheon will be on December 10, 2025, at 12:00PM.

8. CHIEF FINANCIAL OFFICER REPORT

Mr. Christensen stated that prior to the meeting the Board had received an email and a printed copy of the tentative budget and the detailed tentative budget report, that provides additional information on the budget.

Mr. Christensen explained this "tentative" budget should be adopted today and he will provide updated budget information as it becomes available. The final draft of the budget will be provided to the Board in early November for approval of the final budget in the November meeting.

Mr. Christensen reminded the Board that they can change the 2026 budget at any time until the end of next year. Mr. Christensen reviewed the one-page tentative budget, and the following major budget line items were discussed:

***Sewer Service Fees**:* The sewer service fees are budgeted to increase 10% starting with the customer billings in January 2026. The increase was recommended in 2022 by an engineering firm that performed the rate study. In November 2022, the District adopted a five-year rate increase at that time. The District has determined that this increase is still needed based on the current cash flow projections that include near-term capital projects and capital assessment from the treatment plant.

Sewer Treatment Expenses: The sewage treatment plant expenses are budgeted to increase by about 47%. Mr. Christensen explained that the Sewer Treatment Expenses is the District's largest expense. The expense is composed of the District's share of the operation costs, contributions to a repair and maintenance fund, contributions to a future capital projects fund, the District's share of debt payments, and any other special assessments that may occur.

The actual sewage treatment costs are budgeted to go down $68,000. The large increase of about $1,040,000 is to pay for the repairs and rehabilitation of the main trunk line to the north of the treatment plant and the siphon that runs under the canal and the main line that runs along 7200 South. Mr. Christensen presented two charts that show the different components of the payment that the District pays to the treatment plant.

Mr. Christensen stated that he attended a meeting with all the finance officers, of the entities that participate in the treatment plant, to review the tentative budget for the next year. He reminded the Board that the General Manager is on the treatment plant's board and has a vote on how the money is spent there.

Salaries & Wages*:* Mr. Syme stated that as part of the employee raises this year, he would like a closed meeting to discuss the professional competence of the individual employees.

Employee Benefits Expense: The employee benefits expense is budgeted to increase about 5% due to the increase in health insurance of 4.9%. The District has received a 2% rebate check every year for the past several years, so the overall health insurance costs are estimated to increase by about 3%. The District is budgeting $40,000 for the Utah Retirement System (URS) assessment knowing that in the past 5 years the actual assessment has ranged from a refund of about $187,800 to an amount owing of about $42,000.

System Rehabilitation Expense: Mr. Christensen showed the budget for the system rehabilitation expense (pipe-lining and manhole rehabilitation) is $900,000 for next year. This is consistent with prior years. The increase is about $31,000 more than the District will spend this year and $100,000 more than the prior year budget.

Office & Administration Expense: Mr. Christensen noted that the budget shows a 5.5% increase in the Office & Administration Expense. The increase is due to an expected increase in credit card and bank processing fees. As customer sewer service fees increase, the related credit card and processing fees also increase. The District will have an increase in bank fees which will be offset by interest earned on the District's sweep account that pays interest.

Other increases are the computer and software costs that are anticipated to be purchased next year. The cost of postage has increased during the past year, however, Mr. Christensen noted that Mr. Docter has saved the District about $5,000 a year by using a mailing service.

Engineering Expense: The District is budgeting $50,000 to hire an engineering firm to provide an updated Sewer Master Plan which will help the District see any potential sewer line issues and they will recommend future sewer service rates and impact fee rates.

Property Tax Revenues: Property taxes are budgeted for a slight increase. Property tax increases occur when there is new growth in the District or the District raises the certified tax rate. The District is not raising property taxes next year.

Impact Fees: Budgeted impact fee revenue has increased by $100,000 over last year's budget of $100,000 for a budgeted amount of $200,000. Impact fee revenue is hard to predict and beyond the control of the District. The District will budget a conservative amount.

Investment Income: The District has budgeted conservatively for next year's investment income (from the savings and investment accounts) as the District cannot predict where interest rates will be. Mr. Christensen noted that the District has benefited from the higher interest rates in the past several years.

Mr. Christensen reviewed selected pages from the District's Tentative Budget Detailed Report.

Award for Distinguished Budget Presentation: The District received an award for their 2025 budget from the Government Finance Officers Association of the United States. This award is the highest form of recognition in governmental budgeting in the United States. This award was only given to three special districts in Utah. This is the tenth year that the District has received this award.

Major Revenues and Expenses Pie Charts**:** Mr. Christensen reviewed two pie charts (based on the 2026 tentative budget) that show the major sources of revenues, and where the major expenses are spent.

Major Uses of Revenues (Expenses): Mr. Christensen showed a graph depicting the four major areas of expense in the budget.

1. ***Administrative & Operations:*** Mr. Christensen stated that costs were consistent, as expected, with inflation being the main driver for increased costs.

2. ***Wages & Benefits:*** Mr. Christensen stated that these costs have increased in the past several years due to inflation (COLA or cost-of-living adjustment) and market wage increases. This District feels that competitive wages are necessary to retain our employees. Due to the small size of the District, our employees have multiple responsibilities that employees of larger districts do not have to perform. The surrounding governmental entities are also having to pay more in wages to retain their employees.

3. ***Sewer Treatment Costs:*** Mr. Christensen stated that these costs are assessed by the District's treatment plant. Mr. Christensen reminded the Trustees that the District's General Manager is a board member of the treatment plant and has input on the costs the District is charged.

4. ***Sewer System Rehabilitation:*** Mr. Christensen stated that these costs are for rehabilitation of the sewer system. The costs include pipe-lining, manhole rehabilitation, and system maintenance projects. As shown on the graph, the timing of these projects, in the past 9 years.

Cash Reserve Balance Chart: Mr. Christensen showed a chart of the projected cash reserve funds for the next five years. Mr. Christensen explained that the projection is based on the middle of the range of inflationary costs, wage increases, construction costs, sewer treatment costs, sewer treatment plant capital construction assessments, interest rates, and other factors.

Mr. Christensen stated that the District would like to maintain a cash reserve fund balance of about four million dollars. He stated that this level of cash reserve does not seem out of line as the last major unanticipated project (7200 South mainline upgrade) cost about $3.5 million to complete. Mr. Christensen stated that the charts show that the estimated cash reserves will be lower than the District's goal of four million dollars by the year 2030, however, there are a lot of unknown variables, estimates, and timing of the projects that could change in the next five years.

Five Year Forecast – Capital Related Costs: Mr. Christensen showed a schedule of the estimated capital related costs for the next 5 years. He briefly reviewed the costs for maintenance projects, costs for capacity deficiencies, costs for capital equipment, costs for the rehabilitation of lines and manholes, and treatment plant capital costs.

Mr. Christensen stated that the estimated costs for the District's share over the next five years amount to $5,147,000, including:

1. The pipe-lining of the main trunk line from the treatment plant that goes North to the intersection where the flows from other entities converge.

2. The canal siphon

3. The costs of rehabilitating the main line that runs along 7200 South.

The District will be charged a distinct special capital assessment for this project, with the costs excluded from other capital funding programs of the treatment plant. Mr. Christensen noted that these estimated costs have been factored into the planning of next year's operating budget and the long-term impact on the District's cash reserves.

Mr. Christensen stated that he wanted to acknowledge the assistance in preparing the budget from Mr. Syme, General Manager, and Mr. Docter, Treasurer.

The Trustees thanked Mr. Christensen and staff for their good work on the budget.

Upon motion made by Mr. Roemmich and seconded by Ms. Smith, and passed unanimously, the Board approved the 2026 Tentative Budget as presented by Mr. Christensen and set the final budget at the Public Hearing on November 12, 2025, at 12:00 PM to be held at Midvalley Sewer District office, 160 East 7800 South, Midvale, UT 84047.

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

9. SUPERVISOR'S REPORT

No updates at this time.

10. TRUSTEES

Upon motion made by Mr. Roemmich and seconded by Ms. Smith, and passed unanimously, the Board approved for the meeting to recess at 5:51PM to prepare for the Public Hearing Meeting at 6:00PM

	YEA	NAY	Abstain/Absent
Ms. Smith	X		
Mr. Roemmich	X		
Mr. Sperry			X

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

Upon Motion made by Mr. Roemmich, seconded by Ms. Smith and passed unanimously, the Board motioned to close the open meeting and go into a closed meeting at 6:15PM to discuss the character, professional competence, or physical or mental health of individual employees.

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

Attendance – Ms. Smith, Mr. Roemmich, Mr. Bell, Mr. Syme, and Mr. Christensen

Upon Motion made by Mr. Roemmich, seconded by Ms. Smith and passed unanimously, the Board motioned to close the closed meeting and open the public meeting at 6:53PM and go back to item 4.f. on the agenda.

Ms. Smith stated that the closed meeting pertained to the character, professional competence, or physical or mental health of individual employees.

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

ADJOURN

The meeting was adjourned at 6:55PM and the next Board meeting will be on November 12, 2025, at 12:00 PM.