

MINUTES OF THE ELECTRONIC MEETING OF THE BOARD OF TRUSTEES, MIDVALLEY IMPROVEMENT DISTRICT, HELD AT 160 EAST 7800 SOUTH, MIDVALE UTAH 84047 ON NOVEMBER 10, 2021 AT THE TIME OF 12:00 NOON, PRUSUANT TO NOTICE.

BOARD OF TRUSTEES PRESENT

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

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 12:05 PM by Chair Ms. Smith.

Upon motion made by Mr. Sperry, seconded by Mr. Roemmich and passed unanimously, the Board moved to go into a Public Hearing.

1. PUBLIC HEARING 12:00 PM – 2022 OPERATING BUDGET

Ms. Smith stated the Board and District staff will discuss the 2022 Operating Budget. Mr. Christensen stated the tentative 2022 budget was discussed at the October board meeting and was approved.

Ms. Smith stated there are no members of the public present to discuss the 2022 Budget.

Ms. Smith asked the Board if there were any questions on the 2022 Budget and both Mr. Roemmich and Mr. Sperry stated they did not have any questions on the 2022 Budget.

Upon motion made by Mr. Roemmich, seconded by Mr. Sperry and passed unanimously, the Board approved to close the Public Hearing and open the Public Meeting.

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2. 2022 OPERATING BUDGET & RESOLUTION

Upon motion made by Mr. Sperry, seconded by Mr. Roemmich and passed unanimously, the Board approved to adopt 2021-11-10A, a resolution of the Midvalley Improvement District Adopting its 2022 Budget.

Mr. Christensen stated the 2022 Budget can be changed or fine-tuned anytime up to December 31, 2022.

3. PUBLIC COMMENTS/CERMONIES/PRESENTATION

- a. No one in attendance.

4. MINUTES – APPROVAL

- a. **Upon motion** made by Mr. Roemmich, Seconded by Mr. Sperry and passed unanimously, the Board accepted the October 13, 2021 minutes as written.

5. ATTORNEY REPORT

- a. Mr. Bell stated the Ethics Disclosure Training for the employees was canceled because two of the District's employees were out with COVID-19. Mr. Bell is working on the draft of the District's procurement summary and will have something to Mr. Powell in the next couple of weeks.

Mr. Bell stated his firm will be raising legal fee rates from \$195/hr. to \$205/hr. for special districts and cities. Mr. Bell will bring a formal letter with the rate increase to the December meeting.

Mr. Bell stated he has become aware that another district has in place the condition of plate approval the developer will waive the rights to appeal impacts fees associated with the development. Mr. Bell recommended for the District not to agree to something of this nature.

6. GENERAL MANAGER/ENGINEERING REPORT

- a. Mr. Powell updated the Board on the vehicle status. The District received a new F150 Ford truck on November 3, 2021. The 2020 Ford truck being used by the operators has been advertised on KSL Cars for \$53,000.

Mr. Powell stated there are three vehicles on order with two of them being built the week of November 22, 2021 and we should receive them the end of December 2021. The third vehicle is a Super Duty that was ordered in August and is tentatively scheduled to be built the end of May 2022.

Mr. Powell asked Mr. Cecala to explain the problem with the delivery of the new Peterbilt truck (the sewer line jet cleaning truck) we ordered in February 2021. Mr. Cecala stated there is a delay in getting the chips for the truck and this may cause the

truck delivery to be postponed to the end of 2022 or maybe into 2023. Mr. Cecala has looked into other possibilities but they cannot get chips for the Kenworth truck either. Mr. Cecala will look into a Western Star truck and see if they have a truck that would fit our needs. Mr. Powell will keep the Board updated on the status of the new Peterbilt on order and other trucks that may work for the District.

- b. Mr. Powell stated at the October 13, 2021 Board meeting he presented a wage adjustment for the District employees. In talking to other districts, Mr. Powell has found that between districts and cities most are giving a wage increase of over five percent and some as high as seven percent. Mr. Powell reported that Social Security will increase 5.9% in 2022 and CPI for the Salt Lake area is 6.2% according to the Bureau of Labor Statistics.

Mr. Powell would recommend a six percent increase for the District employees and a four percent increase for Mr. Powell and Mr. Christensen.

Ms. Smith, Mr. Roemmich and Mr. Sperry all agreed they would hate to lose the District's good operators and the District should give the increase recommended by Mr. Powell. Ms. Smith thanked Mr. Powell for the additional wage information she requested at the last Board meeting.

Upon motion made by Mr. Roemmich, Seconded by Mr. Sperry and passed unanimously, the Board approved a total of six percent increase in wages to all employees except Mr. Powell and Mr. Christensen and they each will receive a four percent raise.

- c. Mr. Powell stated he is on the Board of The Utah Local Government Trust and the Trust Board of Directors has asked that each Board Member have their entity approve the annual compensation for 2022. The compensation is \$300 per Board meeting.

Mr. Powell presented Resolution 2021-11-10B supporting the service of the District's General Manager as a member of the Board of the Utah Local Governments Trust and includes the compensation of \$300 per Board meeting.

Upon motion made by Mr. Roemmich, Seconded by Mr. Sperry and passed unanimously, the Board approved Resolution 2021-11-10B, supporting the service of the District General Manager as a member of the Board of the Utah Local Governments Trust; including the compensation of \$300 per Board meeting for being on the Board for the year 2022.

- d. Mr. Powell reported in 2019 Bowen and Collins (engineering firm) completed the District's Impact Fee Facility Plan (IFFP) and User Fee (UF) study. At that time, the

District had information from Midvale City regarding a future, significant development, in the area of Fort Union and 900 East. The sewer main on Fort Union was near capacity and it was determined that the Fort Union line would need to be enlarged to meet the demand for the new development.

Mr. Powell stated it is hard to predict new development in the District because a developer will tear down one or two homes and build as many as 30 town homes in the same location. Another example; we have a developer talking about tearing down a commercial building and building a 250-unit apartment building in its place.

Mr. Powell explained the District needs to update the IFFP and UF to keep pace with the development that is going on in our District. Some of the issue to be addressed would be:

- Update the IFFP with recommendation for impact fees
- User rate study to recommend future rate
- Identify, by numbers of Equivalent Residential Units (ERU), where growth can occur in the district and which lines are near capacity
- Receive guidance on continuing to run our computer model
- Strategic planning on how the District can accommodate future growth

Mr. Bell recommended the District get two qualifications from two different engineering firms.

Upon motion made by Mr. Roemmich, Seconded by Mr. Sperry and passed unanimously, the Board approved the General Manager to look at Bowen and Collins and one other firm to update the District's Impact Fee Plan and User Fee not to exceed the limit of the District's procurement rules, and the Board approves the General Manager to choose the most qualified firm to proceed with the project.

Mr. Sperry asked Mr. Powell if it would be possible to pass the cost to increase the size of the line on to the developer, Mr. Powell stated that could be a possibility if the project impacts the capability of our lines.

7. REVIEW, APPROVE AND RATIFY CASH DISBURSEMENTS

- a. **Upon motion** made by Mr. Sperry, Seconded by Mr. Roemmich and passed unanimously, the Board ratified the October 2021 cash disbursements for \$265,866.13

8. OFFICE REPORT

- a. Ms. Kingsbury reported the holiday luncheon time will be at 11:30 AM at Bandits on December 8, 2021 before the District's Board Meeting.

9. CHIEF FINANCIAL OFFICER REPORT

- a. Mr. Christensen reported on the Balance Sheet ending September 30, 2021 (for the 3rd quarter), which shows everything the District owns and owes. He stated that most balances are comparable to the prior year, as shown on the report.

Mr. Christensen stated the District will begin to write off (amortize) the amounts paid to South Valley Water Reclamation Facility of \$1.9 million in the past several years. The District paid for our proportionate share of the construction of the treatment plant and for the next 20 years this amount will be charged to treatment plant expense.

As of the end of the third quarter, the District has finished all construction projects. The parking lot site project had a cost of \$706,855 and the 7200 South Sewer Line project had a cost of \$3,536,580. When these two items are added to our depreciation schedule this will increase the District's depreciation expense.

Mr. Christensen noted that as a result of the construction projects, the District's investment account and savings account balances have decreased, and when combined with a decrease in interest rates during the past year the District expects to have a decrease in interest income this year.

- b. Mr. Christensen handed out the Profit & Loss Year-To-Date Comparison to Prior Year Report for September 30, 2021 and he explained several large changes between this year and last year.

The District did not do a pipe-lining project during the current year, therefore there is a large decrease in the Repairs and Maintenance account when compared to last year.

The increase in Office and Administrative expenses is primarily due to buying a new alarm system and security cameras for a cost of \$9,602. The District did not have these costs in the prior year.

Mr. Christensen noted that the increase in the Auto and Truck expense was due to using more fuel this year than during the pandemic, the cost of new tires for the cleaning truck, camera truck software upgrade costs, and repair costs to the camera truck's pipe-line camera.

The District has not raised property taxes since 2007, so we are receiving basically the same amount of property tax revenue since 2007 with some small increase for new growth.

Impact Fee Revenue is not expected to be consistent with the prior year as impact fee revenue is dependent on construction in the District. Mr. Christensen pointed out that the District has received \$247,517 less in Impact Fee Revenue than the prior year.

- c. Mr. Christensen handed out the Profit & Loss Year-to-Date Budget vs Actual Report for September 30, 2021.

Mr. Christensen reported the under budget amount is expected in the Repairs and Maintenance account as the District has not incurred any pipe-lining or manhole rehabilitation costs during the year.

The under budget amount is expected for the Legal costs as the District has not incurred the legal costs that were anticipated during the budgeting process last fall.

Mr. Christensen pointed out that the District has recoded \$122,399 in the Contributed Capital – Sewer Line account for the value of the sewer lines constructed by developers and convey to the District. Mr. Christensen reminded the Board that the District does not budget for contributed sewer lines as they do not represent spendable resources received.

10. 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

Hillcrest High School is tied into the lines that the District will service on the school's property.

11. TRUSTEES

- a. No Report

12. CLOSED MEETING

- a. No Closed Meeting

ADJOURN: Upon unanimous vote by the Board, the meeting was adjourned at 12:56 PM. The next Board meeting is December 8, 2021 at 2:00 PM.