

**MINUTES OF THE ELECTRONIC MEETING OF THE BOARD OF TRUSTEES, MIDVALLEY IMPROVEMENT DISTRICT, HELD AT 160 EAST 7800 SOUTH, MIDVALE UTAH 84047 ON OCTOBER 14, 2020 AT THE TIME OF 12:00 NOON, PRUSUANT TO NOTICE.**

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**BOARD OF TRUSTEES PRESENT**

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

**OTHER PRESENT**



**MARK BELL – ATTORNEY (EXCUSED)  
BRAD M POWELL, DISTRICT MANAGER  
CATHY KINGSBURY, TREASURER  
BRENT E CHRISTENSEN, CHIEF FINANCIAL OFFICER, DISTRICT CLERK  
RICK CECALA – OPERATIONS SUPERVISOR  
JARED SYME – OPERATIONS ASSISTANT SUPERVISOR/GIS SPECIALIST**

Meeting was called to order at 12:00 PM by Board Chair Sondra Smith. Ms. Smith reported the meeting is being held electronically due to the Covid-19 virus. The anchor location for the meeting is at Midvalley Improvement District office located at 160 East 7800 South. The meeting was advertised as an electronic meeting to be held on Zoom with the information on how to attend the meeting using Zoom.

**1. PUBLIC COMMENTS/CERMONIES/PRESENTATIONS**

No one attending electronically on Zoom or at the District office.

**2. MINUTES – APPROVAL**

- a. **Upon motion** made by Mr. Sperry, seconded by Mr. Roemmich and passed Unanimously, the Board accepted the September 9, 2020 minutes as corrected.

**3. ATTORNEY REPORT - Excused**

**4. GENERAL MANAGER/ENGINEERING REPORT**

- a. Mr. Powell updated the Board on the progress of the Manhole (MH) A020 and the adjacent pipe lines.

Mr. Powell has been working with Insituform on the timing and lining of the pipes. Mr. Powell feels the lining of an 18-inch line that flows into MH A020 from the north should

be included in the project. If we do not line it at this time, we would have to dewater MH A020 again if, at a later date, we decided to line the pipe.

In addition, we feel we should rehabilitate the MH itself. Mr. Cecala was washing down the MH and what he thought was dirt and grime from the side of the MH turned out to be hydrosulfide attacking the MH which is causing the MH to corrode. Mr. Powell feels we need to line this MH to protect it.

On Sunday, October 11, 2020, at 4:00 AM, during a rain storm, Mr. Cecala and Mr. Syme went to the MH to pump water from the storm drain pump station. Mr. Cecala and Mr. Syme were able to pump the water away from our MH and into the bypass piping set up by Insituform avoiding a possible flooding disaster.

Mr. Powell received a proposal from Insituform to line the 18-inch pipe along with the 36-inch pipe and to rehabilitate the lower part of the 6-foot manhole (A020) in the amount of \$201,549.

- b. Mr. Powell stated in last month's Board meeting that the District received approval from Midvale City (City) for the parking lot project and one of the requirements was to replace the outside lighting on all the District's buildings except the north building. Mr. Cecala researched the outside lighting and has found a brand that would be accepted by the City, SLIM26, at a cost of \$3,591 for 18 lights.

**Upon motion** made by Mr. Roemmich, seconded by Mr. Sperry and passed unanimously, the Board approved the purchase of 18 of the SLIM26 lights for the administration building and the south shop for \$3,591.

- c. Mr. Powell updated the Board on the vehicle status stating we should receive two F-150 Ford's the middle of November. Mr. Powell stated he received quotes for another 2021 F-150 Lariat to replace one that will be a year old in February 2021. The timing should be about right to receive it at the end of January. The lowest quote was from Young Automotive Group for \$48,093. The other quotes ranged from \$48,900 to \$52,400. There is one change to the vehicle order for the latest F-150 and that it will be a diesel.
- d. Mr. Powell gave a little background on the Case 580 Super N backhoe the District purchased 3 years ago for just over \$87,000 from Century Equipment. The Case 580 has had some problems stemming from the fact that it does not get used a lot. The backhoe uses diesel exhaust fluid (DEF) and if it is not run frequently for a few hours at a time, the DEF plugs up and fouls a sensor. The backhoe only has 96 hours and most of that is from Century Equipment service technicians.

Mr. Syme's recently put the Case 580 backhoe on the Gov Deals website for bids. The current, highest bid received to date is \$80,000. The backhoe was also advertised on KSL Classified and we received one bid for \$35,000.

Mr. Powell has received information from Honnen Equipment regarding the John Deere backhoes. They assure us that the John Deere backhoes do not have the same issue with DEF when they are only operated occasionally. Mr. Powell received information on two John Deere backhoes models 310L and a 410L at a cost of \$96,598 and \$107,197 respectively. After talking with the District's operators they all thought the 410L would be a better fit for the District.

**Upon motion** made by Mr. Roemmich, seconded by Mr. Sperry and passed unanimously, the Board authorized the General Manager to sell the Case 580 Super N backhoe for \$80,000 and purchase the John Deere 410L backhoe for \$107,197.

- e. Mr. Powell stated this has been an interesting year where we had all the operators quarantined for approximately 6 weeks, from April through May due to the coronavirus pandemic. All of the operators are back to work and working their full schedules.

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 3 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 5 percent increase. The exceptions to this are Mr. Christensen, the CFO, and Mr. Powell, the General Manager/Engineer. Mr. Powell recommended a 3 percent increase for Mr. Christensen and a 2 percent increase for Mr. Powell.

**Upon motion** made by Mr. Sperry, seconded by Mr. Roemmich and passed unanimously, the Board approves a total of five percent increase in wages to all employees except Mr. Christensen and Mr. Powell and they receive approximately 3 and 2 percent raises respectively.

- f. Mr. Powell stated in the past for the District's holiday luncheon we went out to a restaurant but due to COVID-19 it will be difficult to find a restaurant that can serve as many as 25 people and still maintain social distancing. Mr. Powell made the recommendation to have the luncheon catered and eat out at the District's south shop. Some of the places Mr. Powell suggested are: Joe Morely, Smokin' Star BBQ, R&R BBQ, Pizza, etc.

This item will be brought back to the November board meeting.

## 5. REVIEW, APPROVE AND RATIFY CASH DISBURSEMENTS

**Upon Motion** made by Mr. Sperry, seconded by Mr. Roemmich and passed unanimously, the Board ratified the September 2020 cash disbursements for \$727,576.42.

**Upon Motion** made by Mr. Sperry, seconded by Mr. Roemmich and passed unanimously, the Board ratified the September 2020 employee earnings for \$73,289.

## 6. OFFICE REPORT

- a. No Report

## 7. CHIEF FINANCIAL OFFICER REPORT

- a. Mr. Christensen handed out a copy of the District's 2021 Tentative Budget. He explained that the Sewer Service Fees revenue is budgeted for a 6.6% increase, with the majority of the increase coming from the 5.45% raise in sewer service rates that was adopted by the Trustees in the prior year, with the remaining increase from expected growth in the District.

Mr. Christensen explained the sewer treatment plant expense is projected to go up about 16%. The majority of the increase is from the Treatment Plant budget which shows an increase of about \$8,300 a month. The District does not have control over this amount. The District is also budgeting for about a \$50,000 yearly increase in the treatment plant expense as the District will start to amortize (expense), over 20 years, the amounts paid to the Treatment Plant for the District's share of the construction upgrades.

The Salary and Wages line item will increase about 4% based on the Trustees approved wages. The Employee Benefits expense is expected to increase about 6% due to the health insurance increase of just over 5%. Mr. Christensen stated that it would not surprise him if the Utah Retirement Systems (URS) assesses the District with an increase in the amount the District owes the URS for the District's share of the retirement owed for the District's retired employees in future years. This would be due to the URS investments not performing as well as the URS has budgeted in the past. This could increase the retirement expense next year.

Mr. Christensen stated that the District is budgeting for \$500,000 in pipe lining and \$100,000 for manhole rehabilitation costs in the next year. This is consistent with amounts budgeted over the past several years.

The Insurance Expense is budgeted to be reduced by \$3,000 as the District has done a very good job in obtaining the maximum rebates on the workers compensation and

general liability insurances. Mr. Christensen stated that the Elections Expense is budgeted for a \$20,000 increase as the District will hold board member elections next year. Salt County will completely handle the 2021 election as they have done in the past elections.

The Property Tax Revenue is budgeted to increase \$3,000 as the District has not raised property taxes. Mr. Christensen pointed out that the District has not raised property taxes since 2007. Any increase in Property Tax Revenue will be due to new growth. The Interest Income is budgeted for a reduction of \$75,000 as interest rates have dropped from the prior year, and the District has spent about \$4,300,000 of the District's saving account on construction projects in 2020.

Mr. Christensen explained this "tentative" budget will need to be adopted today and he will bring an updated proposed final 2021 budget to the Board meeting in November for final approval.

Mr. Christensen stated if the 2020 budget needs to be amended, he will have a motion on the December board meeting agenda.

**Upon Motion** made by Ms. Smith, seconded by Mr. Roemmich and passed unanimously, the board approved to adopt the 2021 Tentative Budget.

## **8. SUPERVISOR'S REPORT**

- a. Mr. Cecala thanked the Board for the salary increase.

The construction in the District is moving along well but is slowing down. Mr. Cecala reported "The Peak View Flats" project is going with a 6" sewer line which will be considered a lateral not a main line.

## **9. TRUSTEES**

- a. Ms. Smith asked Mr. Powell if Mr. Bell had scheduled a meeting for Ethics Training and Mr. Powell stated nothing has been scheduled.

Ms. Smith asked Mr. Powell if he and Mr. Bell have got together to go over the Procurement Policy. Mr. Christensen stated the State is coming out with new guidelines on procurement and Mr. Bell is waiting for the State's guidelines. Mr. Powell stated the lighting would be purchased under small purchases and the John Deere backhoe is under the State contract.

## **10. CLOSED MEETING**

- a. No Closed Meeting

**ADJOURN:** Upon unanimous vote by the Board, the meeting was adjourned at 12:55 PM. The next Board meeting is November 18, 2020 at 4:00 PM.