MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES, MIDVALLEY SEWER DISTRICT, HELD AT 160 EAST 7800 SOUTH, MIDVALE, UTAH 84047 ON OCTOBER 14, 2026, AT THE TIME OF 5:00 PM, PURSUANT TO NOTICE.

BOARD OF TRUSTEES PRESENT

BLAKE ROEMMICH – CHAIR
RON SPERRY – VICE-CHAIR
ALEX HANSEN – TRUSTEE

OTHERS PRESENT

JARED SYME – GENERAL MANAGER
BRENT CHRISTENSEN – CHIEF FINANCIAL OFFICER, DISTRICT CLERK
RICK CECALA – OPERATIONS SUPERVISOR
ZETH DOCTER – TREASURER
RYAN RICHARDS – ATTORNEY

1. CALL TO ORDER

The meeting was called to order at 5:00 PM by Chair Roemmich.

2. PUBLIC COMMENTS/CEREMONIES/PRESENTATION

No members of the public were present and no comments were received.

3. MINUTES – APPROVAL

a. September 9, 2026, minutes

Upon Motion made by Mr. Sperry, seconded by Mr. Hansen, and passed unanimously, the Board accepted September 9, 2026, minutes as written.

	YEA	NAY	ABSTAIN/ABSENT
Mr. Roemmich	X		
Mr. Sperry	X		
Mr. Hansen	X		

4. ATTORNEY REPORT

a. Update and Discussion of Pending Legal Matters

Mr. Richards provided the Board with an update on the Utah Local Government Trust's proposed Amended and Restated Interlocal Agreement. He stated that he will update Mr. Syme with more information when it becomes available.

MIDVALLEY
SEWER DISTRICT

5. GENERAL MANAGER REPORT

a. District Bond Policy

Mr. Syme presented an updated Developer Improvement Assurance and Warranty Policy for new development infrastructure.

Upon Motion made by Mr. Roemmich, seconded by Mr. Sperry, and passed unanimously, the Board approved Resolution No. 2026-10-14A, approving the Developer Improvement Assurance and Warranty Policy for inclusion in the District's Policy Manual.

	YEA	NAY	ABSTAIN/ABSENT
Mr. Roemmich	X		
Mr. Sperry	X		
Mr. Hansen	X		

b. 8000 South Sewer Replacement Project

Mr. Syme stated that he requested proposals from three engineering firms within the District's approved engineering pool. He stated that after reviewing the proposals and discussing the project with the firms, JWO Engineering was awarded the 8000 South Sewer Replacement Project.

c. 2027 Wages

Mr. Syme requested that the Board enter a closed meeting, pursuant to the Utah Open and Public Meetings Act (Utah Code § 52-4-205(1)(a)), to discuss the character, professional competence, or physical or mental health of individual employees. The purpose of the closed meeting was to evaluate the professional competence of specific employees, including individual performance evaluations and related personnel considerations.

The motion, vote, and other required information regarding the closed meeting are documented in Section 12 of these minutes.

Mr. Syme presented the proposed 2027 compensation recommendations, including a 3.4% cost-of-living adjustment for all District employees and market-value adjustments for selected employees and positions, based on employee performance, professional competency, responsibilities, and comparable market compensation. Chairman Roemmich separately presented the General Manager's professional competency and recommended market-value wage adjustment, with the supporting compensation figures retained by the Chairman throughout the meeting.

Mr. Syme also recommended a 3.4% adjustment to Board member compensation for 2027, subject to a separate public hearing and final Board approval in November. Following the closed meeting, the Board reconvened in open session and resumed consideration of the proposed compensation adjustments.

Upon Motion made by Mr. Sperry, seconded by Mr. Hansen, and passed unanimously, the Board approved the proposed 3.4% cost of living adjustment for all District employees, along with the market value adjustments for selected employees and positions as presented, for inclusion in the 2027 tentative budget, and include a proposed 3.4% adjustment to Board member compensation, subject to the required separate public hearing and subsequent Board approval.

	YEA	NAY	ABSTAIN/ABSENT
Mr. Roemmich	X		
Mr. Sperry	X		
Mr. Hansen	X		

d. Update on Pending Matters

No report currently.

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

No report currently.

7. REVIEW, APPROVE AND RATIFY CASH DISBURSEMENTS

a. September 2026

Upon Motion made by Mr. Sperry, seconded by Mr. Hansen and passed unanimously, the Board approved September 2026 cash disbursements for $338,926.75.

	YEA	NAY	ABSTAIN/ABSENT
Mr. Roemmich	X		
Mr. Sperry	X		
Mr. Hansen	X		

8. OFFICE REPORT

a. 2027 Monthly Board of Trustees Meeting Schedule

Mr. Docter presented the proposed 2027 Board Meeting Schedule. He stated that it is required by the Utah Open and Public Meetings Act to approve the regular meeting schedule by resolution every year.

Upon Motion made by Mr. Roemmich, seconded by Mr. Sperry and passed unanimously, the Board adopted Resolution No. 2026-10-14B establishing the 2027 monthly Board of Trustees meeting schedule as presented.

	YEA	NAY	ABSTAIN/ABSENT
Mr. Roemmich	X		
Mr. Sperry	X		
Mr. Hansen	X		

b. 2027 Employee Holiday Schedule

Mr. Docter stated that Utah Legislative passed S.B. 193, effective May 6, 2026, the law designates Good Friday as a state legal holiday. Mr. Docter recommended that the Board of Trustees approve Good Friday as a full-paid holiday. He stated that essential operations and on-call coverage will continue under District policies.

Upon Motion made by Mr. Hansen, seconded by Mr. Roemmich and passed unanimously, the Board approved Good Friday as a full paid holiday for eligible District employees each year beginning in 2027 and direct staff to revise the 2027 and subsequent Employee Holiday Schedules accordingly.

	YEA	NAY	ABSTAIN/ABSENT
Mr. Roemmich	X		
Mr. Sperry	X		
Mr. Hansen	X		

c. Update on Pending Matters

No report currently.

9. CHIEF FINANCIAL OFFICER REPORT

a. 2027 Tentative Budget

Mr. Christensen reported that, prior to the meeting, the Board had received an email about the tentative budget and the detailed tentative budget report, which provides additional information regarding the budget.

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

One-Page Tentative Budget Report: Mr. Christensen reminded the Board that the 2027 budget could be amended at any time by the end of 2027. He then reviewed the one-page tentative budget, and the following major budget line items were discussed:

Sewer Service Fees: Sewer service fees are budgeted to increase by 10% effective with the January 2027 customer billings. This increase was recommended by an engineering firm that conducted a rate study in 2022. In November 2022, the District adopted a five-year schedule of rate increases based on the study's recommendations.

The overall increase in budgeted sewer service fee revenue is projected to be 15.26%, consisting of the 10% rate increase and an additional estimated 5.26% from updated water meter readings for all commercial accounts.

The District determined that the 10% rate increase remains necessary based on current cash flow projections, which include upcoming capital projects and capital assessments from the treatment plant.

Sewer Treatment Expenses: Mr. Christensen explained that sewer treatment expenses represent the District's largest expense category. These expenses include the District's share of operating costs, contributions to the repair and maintenance fund and the future capital projects fund, debt service payments, and any additional special assessments.

Sewer treatment expenses for 2027 are budgeted to increase by approximately 17% over the 2026 budget, excluding special assessments from the comparison. However, total 2026 sewer treatment expenses are expected to decrease by approximately 28% from the original 2026 budget due to the postponement of special assessments for repairs and rehabilitation of the main trunk line north of the treatment plant, the siphon under the canal, and the main line along 7200 South. These projects have been deferred to 2029 and 2030.

Mr. Christensen reported that he attended a meeting with the finance officers of the entities participating in the treatment plant to review the tentative budget for 2027. He also reminded the Board that the District's General Manager serves on the treatment plant's governing board and has a vote in decisions regarding the expenditure of funds.

Salaries & Wages: Mr. Syme had previously discussed the proposed employee salary increases during his portion of the meeting.

Employee Benefits Expense: Employee benefits expense is budgeted to increase by approximately 8% due to employee salary increases and a 6.4% increase in health insurance premiums. The District has received a 2% health insurance rebate annually for the past several years, resulting in an estimated net increase in health insurance costs of approximately 4%. The District has budgeted $40,000 for the Utah Retirement Systems (URS) assessment, although actual assessments over the past five years have ranged from a refund of approximately $187,800 to an amount owed of approximately $63,000.

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.

Office & Administration Expense: Mr. Christensen noted that the budget reflects a 13.7% increase in Office & Administration Expense, primarily due to anticipated increases in credit card and bank processing fees. Mr. Christensen stated that as customer sewer service fees increase, the related credit card processing fees are also expected to increase.

Additional increases include anticipated computer and software purchases in 2027. Although postage rates have increased over the past year, Mr. Christensen noted that Mr. Docter has helped the District save approximately $5,000 annually using a third party mailing service.

Insurance Expense: The District is budgeting for a 21% decrease in insurance costs for 2027. In the past, the District has budgeted for annual increases in insurance costs; however, the estimated 2026 insurance expense is expected to be the lowest in the past 10 years. The District participates in all available insurance refund and reward programs and has maintained a claim-free record for approximately 10 years, both of which have contributed to lower insurance costs.

Engineering Expense: The District is budgeting an additional $50,000 over the prior year to hire an engineering firm to update the District's Sewer Master Plan. The updated plan will help identify potential sewer system deficiencies and provide recommendations for future sewer service fees and impact fee rates.

Property Tax Revenues: Mr. Christensen stated that property tax revenues are budgeted to increase slightly in 2027. Property tax revenues generally increase because of new growth in the District. The District does not plan to levy property taxes above the certified tax rate in 2027.

Investment Income: The District has increased its 2027 investment income budget by $125,000 to $375,000. The District has conservatively budgeted investment income from its savings and investment accounts due to the uncertainty of future interest rates. Mr. Christensen noted that the District has benefited from higher interest rates over the past several years.

Tentative Budget Detailed Report: Mr. Christensen reviewed selected pages from the District's Tentative Budget Detailed Report. The following areas were discussed:

Major Revenues and Expenses Pie Charts: Mr. Christensen reviewed two pie charts based on the 2027 tentative budget, illustrating the District's major revenue sources and expense categories.

Major Uses of Revenues (Expenses): Mr. Christensen reviewed a graph illustrating the District's four major expense categories.

Administrative & Operations: Mr. Christensen stated that these costs have remained relatively consistent, with inflation being the primary factor contributing to increases.

Wages & Benefits: Mr. Christensen stated that these costs have increased over the past several years due to inflation (cost-of-living adjustments or COLAs) and market wage increases. The District believes that offering competitive wages is necessary to retain its employees. Due to the District's small size, employees

perform multiple responsibilities that may be handled by separate positions in larger districts. Surrounding governmental entities have also experienced increased wage costs as they compete to retain employees.

Sewer Treatment Costs: Mr. Christensen stated that these costs are assessed to the District by the treatment plant. Mr. Christensen reminded the Trustees that the District's General Manager serves on the treatment plant's governing board and participates in decisions affecting the costs assessed to the District.

Sewer System Rehabilitation: Mr. Christensen stated that these costs are associated with rehabilitating and maintaining the District's sewer system, including sewer-line lining, manhole rehabilitation, and other system maintenance projects. As shown on the graph, the timing and associated costs of these projects have varied over the past nine years.

Cash Reserve Balance Chart: Mr. Christensen reviewed a chart showing the District's projected cash reserve balances over the next five years. He explained that the projections are based on midrange estimates for inflation, wage increases, construction costs, sewer treatment costs, treatment plant capital assessments, interest rates, and other factors.

Mr. Christensen stated that the District would like to maintain a cash reserve balance of approximately $4 million. He explained that this reserve level is reasonable considering that the District's most recent major unanticipated project, the 7500 South mainline upgrade, cost approximately $2.9 million to complete. Mr. Christensen noted that the chart projects cash reserves falling below the District's $4 million goal by 2031.

He also reported that the District's estimated share of the treatment plant's thermal drying project is $7.3 million, with capital assessments anticipated between 2032 and 2035. These future assessments are not included in the current budget document or cash reserve projections. However, he emphasized that numerous uncertainties, including future costs, financial assumptions, and the timing of capital projects, could significantly affect the District's cash reserve projections in future years.

Five-Year Forecast – Capital Related Costs: Mr. Christensen reviewed a schedule showing the District's estimated capital-related costs over the next five years. He briefly reviewed the projected expenditures for system maintenance, capacity improvements, capital equipment, sewer line and manhole rehabilitation, and treatment plant capital projects.

Mr. Christensen pointed out that the District's estimated share of the treatment plant's rehabilitation projects involving the north main line, canal siphon, and 7200 South line totals approximately $7,549,000 over the next five years.

The District will be assessed separately for these projects, with the costs excluded from the treatment plant's other capital funding programs. Mr. Christensen noted that these estimated costs have been incorporated into the District's 2027 budget planning and long-term cash reserve projections.

Mr. Christensen acknowledged and expressed his appreciation for the assistance provided by Mr. Syme, General Manager, and Mr. Docter, Treasurer, in preparing the budget.

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

Upon Motion made by Mr. Sperry, seconded by Mr. Hansen and passed unanimously, the Board approved the tentative 2027 budget as presented and schedule the public hearing to consider adoption of the final 2027 budget for November 10, 2026, at 5:00PM at the District offices.

	YEA	NAY	ABSTAIN/ABSENT
Mr. Roemmich	X		
Mr. Sperry	X		
Mr. Hansen	X		

b. Financial and Accounting Matter

No report currently.

10. SUPERVISOR'S REPORT

Mr. Cecala stated that development in the District is steady. He stated that First Watch restaurant is now open.

11. TRUSTEES

No report currently.

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

Upon Motion made by Mr. Roemmich, seconded by Mr. Sperry, and passed unanimously, the Board motioned to close the open meeting and go into a closed meeting at 5:12PM to discuss the character, professional competence, or physical or mental health of individual employees.

	YEA	NAY	ABSTAIN/ABSENT
Mr. Roemmich	X		
Mr. Sperry	X		
Mr. Hansen	X		

Attendance – Mr. Roemmich, Mr. Sperry, Mr. Hansen, Mr. Syme, Mr. Richards, and Mr. Christensen.

Upon Motion made by Mr. Sperry, seconded by Mr. Hansen, and passed unanimously, the Board motioned to close the closed meeting and open the public meeting at 5:43PM and resume with agenda item 5c.

	YEA	NAY	ABSTAIN/ABSENT
Mr. Roemmich	X		
Mr. Sperry	X		
Mr. Hansen	X		

13. ADJOURN

The meeting was adjourned at 6:24PM and the next Board meeting will be on November 10, 2026, at 4:30 PM.