

MINUTES OF THE MEETING OF THE TRUSTEES  
OF THE CENTRAL WEBER SEWER IMPROVEMENT DISTRICT (CWSID)  
HELD MONDAY, JUNE 12, 2023, AT THE DISTRICT OFFICE  
LOCATED AT 2618 WEST PIONEER ROAD, MARRIOTT-SLATERVILLE, UTAH.

**Trustees Present:** Mark Allen, Josh Blazzard, Leonard Call, Dale Fowers, Rich Hyer, Gage Froerer, Braden Mitchell, Russ Porter, Michelle Tait, Rob Vanderwood, and Rod Westbroek

**Trustees Excused:** Neal Berube, Bart Blair, Mike Caldwell, and Scott Van Leeuwen

**Others Present:** Kevin Hall, Camille Cook, James Dixon, Paige Spencer, Clay Marriott, Mark Anderson, Matt Dugdale - Stifel, Eric Hunter - Chapman and Cutler, Sean Wilkinson - Weber County, Stephanie Russell - Weber County, Spencer Stevens – BlackPine Group, Daniel Stevens – BlackPine Group, Dallin Curriden – BlackPine Group, Ryan Bench – Corollo, and Jeff Beckman - Bowen and Collins.

**Call to Order:**

Chairman Allen called the meeting to order at 5:01 p.m.

The pledge of allegiance was led by Trustee Blazzard.

The invocation was offered by Trustee Fowers.

Chairman Allen asked for any public comments, and there were none.

**Minutes of May 15, 2023 Board Meeting Approval:**

It was moved by Trustee Hyer and seconded by Trustee Tait as follows:

**That the May 15, 2023 Board meeting minutes be approved as presented.**

The motion carried by the affirmative vote of Trustees Allen, Blazzard, Call, Fowers, Hyer, Froerer, Mitchell, Porter, Tait, Vanderwood, and Westbroek.

**Ratification of Vouchers:**

Camille Cook reminded the Trustees about vouchers that previously were approved by the Board prior to payment, and recommended ratification of the May 2023 Check Register, which is an itemized list of all payments made by the District during May, in the total amount of \$3,445,410.02.

It was moved by Trustee Porter and seconded by Trustee Mitchell as follows:

**That the May 2023 Check Register be ratified and approved as presented in the total amount of \$3,445,410.02.**

The motion carried by the affirmative vote of Trustees Allen, Blazzard, Call, Fowers, Hyer, Froerer, Mitchell, Porter, Tait, Vanderwood, and Westbroek.

**Project Updates of Major Capital Projects:**

James Dixon and Clay Marriott presented information on the major Central Weber capital projects that are under construction. The Industrial Park Lift Station Rehabilitation Project should be finished by the end of August. The Project includes new pumps, check valves, and a generator pad. In addition, 19 manholes are being raised so it will be easier to inspect and clean them.

Phase 1 of the Hooper Pipe Rehab Project is currently on hold due to wet weather delays. This Phase is anticipated to be finished this summer. Mr. Marriott presented slides showing the diversion gates and corrosion. Mr. Dixon advised the Trustees that only a small portion of Phase 2 work has been billed this month. Last week, the first 502 foot section of the 10,948-foot pipeline was lined.

The District’s average wastewater flow during the spring of 2022 was 30 MGD (million gallons per day). Flows peaked at approximately 90 MGD this spring. The contractors have had to work around the wet weather as they move forward on their projects.

Mr. Dixon advised the Board that the Phase 2 Expansion & UV (ultraviolet light) Disinfection Project is on schedule and staff is pleased with the progress.

Chairman Allen thanked James and Clay for the visuals and the updates.

**Certification of Annexation/Withdrawal Petitions:**

Kevin Hall presented one Annexation Petition to be considered by the Board:

- Smart Acres – recently annexed into Marriott-Slaterville – 83.5 acres

Mr. Hall recommended Board certification of the Petition.

It was moved by Trustee Froerer and seconded by Trustee Porter as follows:

**That the Annexation Petition for Smart Acres in Marriott-Slaterville be certified.**

The motion carried by the affirmative vote of Trustees Allen, Blazzard, Call, Fowers, Hyer, Froerer, Mitchell, Porter, Tait, Vanderwood, and Westbroek.

**Consideration of Annexation Approvals:**

Kevin Hall presented one annexation to be considered by the Board:

- Resolution 2023-07, West Field Seminary Annexation - a 2-acre lot for a seminary building adjacent to the new West Field High School.

Mr. Hall recommended that the Board consider approving the annexation.

It was moved by Trustee Hyer and seconded by Trustee Call as follows:

**That the Annexation Approval Resolution for the West Field Seminary property, Resolution 2023-07, be approved and adopted.**

The motion carried using a roll call vote with Trustees Allen, Blazzard, Call, Fowers, Hyer, Froerer, Mitchell, Porter, Tait, Vanderwood, and Westbroek voting in the affirmative.

**Bond Issuance of up to \$35 Million of Sewer Revenue Bonds and Related Matters:**

It was moved by Trustee Mitchell and seconded by Trustee Tait as follows:

**That the public hearing on the issuance of up to \$35,000,000.00 of sewer revenue bonds and related matters be opened.**

The motion carried by the affirmative vote of Trustees Allen, Blazzard, Call, Fowers, Hyer, Froerer, Mitchell, Porter, Tait, Vanderwood, and Westbroek, and Chairman Allen declared the public hearing to be open.

Kevin Hall reviewed the large capital projects that currently are in progress to replace aging infrastructure, accommodate growth, and comply with EPA and Utah Division of Water Quality regulations. The District has approached the capital projects in a fiscally responsible manner, and will pay roughly 60% of the cost of the projects with accumulated cash and 40% with new bond funds. Mr. Hall advised the Board that it is advantageous to spend bond proceeds before using cash reserves because the bond funds are restricted and obligated to be used on these projects and the cash reserves are earning a high rate of interest. Current funds remaining from the Series 2021 bonds are anticipated to be spent by October of 2023. District staff members have consulted with Matt Dugdale, from Stifel Financial Corporation, and Eric Hunter, bond counsel from Chapman and Cutler, both of whom were in attendance to answer the Trustees' questions regarding the proposed new bond issuance.

Mr. Dugdale announced that the District has recently been upgraded to the highest bond rating possible. Receiving a AAA rating sends a signal to the investment community that the District is run very well, which will result in savings for the District when bonds are issued. The full report, rating action, and press release are available at Fitch Ratings' website.

The District has taken advantage of every interest rate savings refunding opportunity available for its bond portfolio. The next refunding opportunity will be in approximately four years. Short-term interest rates are increasing faster than long-term interest rates. The Public Treasurer's Investment Fund is currently earning better than 5% interest on the District's cash reserves. This gives the District an opportunity to keep its cash earning higher interest rates and utilize the current timing and market conditions to issue bonds that are restricted to cover capital project costs.

Mr. Dugdale advised the Board to be as strategic as possible on the timing of a bond issuance, noting that at certain times throughout the year there may be a lower supply of bonds being issued. Being strategic and issuing bonds during periods when fewer bonds are being issued could result in a lower interest rate on the District's bonds. Bonds could be issued this summer, or the District could wait until early next year, depending on optimal conditions.

The adoption of a Parameters Resolution is the only step that the Board needs to take in this process. Among other things, the Resolution states the maximum principal amount, maximum interest rate, and longest possible term for the bonds, and delegates to the Board Chair authority to sign off on the final terms and conditions of the bonds.

Trustee Hyer asked if the period of time within which bonds may be issued pursuant to the Resolution is constrained. Mr. Dugdale and Mr. Hunter responded that there is no statutory limit on timing, but within a year is a good rule of thumb. Trustee Mitchell asked what conditions would be in place for the District to issue bonds of less than \$35,000,000.00. Mr. Dugdale explained that a bond premium may be received on the bonds, which would result in more bond proceeds being received by the District than the face value of the bonds. This would allow the District to issue bonds of less than \$35,000,000.00 but receive the full amount of desired bond proceeds. Mr. Hunter then summarized the bond parameters as stated in the Resolution.

Chairman Allen called for public comments, and there were none.

It was moved by Trustee Hyer and seconded by Trustee Call as follows:

**That the public hearing be closed and the general session resume.**

The motion carried by the affirmative vote of Trustees Allen, Blazzard, Call, Fowers, Hyer, Froerer, Mitchell, Porter, Tait, Vanderwood, and Westbroek, and Chair Allen declared the public hearing to be closed.

There was no further discussion by the Board. Camille Cook recommended that the Board approve the bond issuance.

It was moved by Trustee Hyer and seconded by Trustee Call as follows:

**That Resolution 2023-08, providing for the issuance of up to \$35,000,000.00 of Sewer Revenue Bonds and related matters, be adopted and approved.**

The motion carried using a roll call vote, with Trustees Allen, Blazzard, Call, Fowers, Hyer, Froerer, Mitchell, Porter, Tait, Vanderwood, and Westbroek voting in the affirmative.

**Consideration of Resolution 2023-09 Adopting BlackPine Lift Station and Line:**

Mr. Hall summarized the background regarding Resolution 2023-09. Sean Wilkinson, from Weber County, presented a proposal during the April 17, 2023 Board meeting, indicating that Weber County would ask the District to maintain a trunkline system built by the developer, BlackPine Group. This trunkline system would consist of a pump station, force main, and gravity sewer line that would connect to the District's existing trunkline. Mr. Wilkinson originally requested to be on the agenda for the May Board meeting, but additional time was needed to understand the nature of a public infrastructure district (PID) that would be created to fund the infrastructure and to negotiate terms that are agreeable to both the developer and the County.

The District's Long-Range Planning Committee met on May 9, 2023. Attendees included Trustees Hyer, Porter, Van Leeuwen, and Blazzard, as well as staff members Kevin Hall and Camille Cook. The Committee provided recommendations regarding terms pursuant to which the District might consider accepting the ownership and maintenance responsibilities for the trunkline system as follows:

1. Any ownership and maintenance agreement would be with Weber County, not with the developer.

2. The District should have full control over construction, including engineering and construction management.
3. The County must fund the engineering, contractor and inspection costs. Much of the funding is expected to be provided by the Developer.
4. The District must be given ownership of the land on which the pump station resides and of the easements.
5. The District's responsibilities must be specifically limited to the pump station, force main, and gravity trunkline along 12<sup>th</sup> Street.
6. Weber County will specify a design flow parameter in its request to the District.
7. Weber County will agree to reimburse the District for maintenance costs associated with this line and pump station until growth dictates that the trunkline serves more than one member entity (wholesale customer).

These terms were submitted to Weber County for review. The County and BlackPine requested consideration of different terms, and it became apparent that the discussion would require more time than was available during the May Board meeting, so Board consideration was postponed until June. A meeting was held between the District (represented by Trustees Hyer, Allen, and Froerer, and staff member Kevin Hall), Weber County, and BlackPine on May 23, 2023. A draft Resolution was edited to accommodate requests from Weber County and BlackPine, and was reviewed and further edited by the District's attorney, Mark Anderson.

Mr. Hall turned the discussion over to Sean Wilkinson and Stephanie Russell from Weber County. A handout was presented to the Board members. Ms. Russell explained PIDs (public infrastructure districts) and their purpose of securing financing for public infrastructure. Ms. Russell advised the Board that the Promontory PID would be an independent district, but another public entity will take over the maintenance and ownership of the infrastructure upon completion. Weber County and BlackPine are proposing that the District manage the line and own the infrastructure, which would include the lift station, force main, and pump station. Mr. Wilkinson stated that Weber County doesn't have a sewer department, and advised the Board that the proposed Resolution is a good compromise and a workable public-private partnership because it would allow the pipeline to be built to the District's specifications, and terms from the Resolution will be incorporated into the PID governing document.

Chairman Allen asked if there were any questions. Trustee Froerer asked the County representatives for a clarification regarding service laterals. It was stated that the District would manage the lift station and main line and the County would oversee the laterals until the properties are annexed into a city in the future. Ms. Russell added that there will be a great benefit in property tax revenues for the District, along with impact fees and money to cover the cost of maintaining the infrastructure for two years. The BlackPine representatives stated that the District would receive an estimated \$300,000 in annual property tax revenue from the project area. Trustee Vanderwood asked if this annexation would cover all of western Weber County. Mr. Wilkinson responded that it will be limited to the specified area that previously was annexed by the District.

Trustee Call asked the Long-Range Planning Committee members if the terms they recommended are included in the Resolution. Trustee Hyer responded that Weber County has experience with Snow Basin undertaking a similar project. Chairman Allen advised the Board that the seven stated terms have been discussed in-depth. Ms. Russell advised the Trustees that Weber County would use the PID process that was outlined on the last page of the Board handout. Weber County is asking for a "partnership" to take on the ownership of the sewer infrastructure.

Trustee Mitchell asked if this is a common thing for the District to agree to, and if the risks are covered. Mr. Hall responded that the District has not done this before. The District has taken on the Hooper pipeline, but that is a common standard practice when a sewer line serves multiple cities, and advised the Board that the District could be responsible to upgrade the line in the future if there is a need for more capacity or if major maintenance problems are encountered. Trustee Porter stated that he thought this project would be a win/win for everyone involved. Chairman Allen stated that this is a “big deal”, and a “huge decision”.

It was moved by Trustee Porter and seconded by Trustee Froerer as follows:

**That Resolution 2023-09, Approving Terms and Conditions for Acceptance of West Weber Trunkline Facilities, be adopted and approved.**

The motion carried, using a roll call vote, with Trustees Allen, Blazzard, Call, Fowers, Hyer, Froerer, Mitchell, Porter, Tait, Vanderwood, and Westbroek voting in the affirmative.

**FY 2024 Budget and Service Fee and Septic Hauler Rate Increases:**

At 6:05 p.m., it was moved by Trustee Hyer and seconded by Trustee Tait as follows:

**That a public hearing to discuss the FY 2024 Tentative Budget, service fees and septic hauler rate increases be opened.**

The motion carried by the affirmative vote of Trustees Allen, Blazzard, Call, Fowers, Hyer, Froerer, Mitchell, Porter, Tait, Vanderwood and Westbroek, and Chairman Allen declared the public hearing to be open.

**FY 2024 Budget:** Ms. Cook presented the FY 2023-2024 Tentative Budget for the Board’s consideration. District staff reviewed five similarly sized wastewater facilities along the Wasatch Front and compared Central Weber’s operating indicators to the average of a group of comparable sewer districts. The District’s miles of collection pipe and average flow are above average, while the number of full time employees and operating expenses are both significantly below average. Based on this information, District staff is running the District efficiently and effectively.

The FY 2023-2024 Tentative Budget includes one additional full-time employee, to bring the total number of full-time employees to 34. Various operation and maintenance budget line items have increased over prior years due to increasing costs. Employee retention is also a focus for the District. Overall, the expense budget increased by 26.41%.

The revenue budget includes \$35,000,000.00 of bond proceeds, which results in a proposed increase in revenues of 121.79%. Impact fees are budgeted at \$3,500,000.00, and will be evaluated further once the pending impact fee study is completed.

**Service Fee and Septic Hauler Rates:** Ms. Cook advised the Board that an increase in service fees is the only way the District can capture new growth to receive more revenue for the services that are provided. A 5% overall increase was proposed to be allocated to the District’s wholesale customers based on the formula outlined in the contracts between the District and each of the wholesale customers. The proposed 5% increase in service fees does not mean that every wholesale customer’s rate will increase by 5%. The increase will be assessed to the various

wholesale customers served by the District, and they can then evaluate whether and how the increase will be passed on to their retail customers.

**Property Tax Increase:** Ms. Cook advised the Board that a 0.000542 property tax rate will be needed to generate \$11,779,000 in property tax revenue, as budgeted. The average value of a residence in the District is \$477,000. District staff recommended going through the truth in taxation process to consider a property tax increase.

Chairman Allen asked if the Trustees had any comments or questions. Trustee Hyer stated that the comparison to similar districts was impressive, and the District should provide this information to the ratepayers.

Chairman Allen called for public comments. Clay Marriott, a Central Weber Sewer Improvement District employee, commented that Central Weber has great employees.

There being no more public comments, it was moved by Trustee Hyer and seconded by Trustee Porter as follows:

**That the public hearing be closed and the general session resume.**

The motion carried by the affirmative vote of Trustees Allen, Blazzard, Call, Fowers, Hyer, Froerer, Mitchell, Porter, Tait, Vanderwood, and Westbroek.

Ms. Cook recommended that the Board consider Resolution 2023-10, approving and adopting the Fiscal Year 2023-2024 Tentative Budget, based on a proposed tax rate of 0.000542.

It was moved by Trustee Hyer and seconded by Trustee Fowers as follows:

**That Resolution 2023-10, Adopting the 2023-2024 Fiscal Year Tentative Budget and a Proposed Property Tax Rate, be approved and adopted.**

The motion carried, using a roll call vote, with Trustees Allen, Blazzard, Call, Fowers, Hyer, Froerer, Mitchell, Porter, Tait, Vanderwood, and Westbroek voting in the affirmative.

Ms. Cook recommended that the Board consider approving Resolution 2023-11 approving service fee and septic hauler rate increases with an effective date of July 1, 2023.

It was moved by Trustee Hyer and seconded by Trustee Porter as follows:

**That Resolution 2023-11, Increasing Service Fees and Septic Hauler Rate, be approved and adopted as presented.**

The motion carried, using a roll call vote, with Trustees Allen, Blazzard, Call, Fowers, Hyer, Froerer, Mitchell, Porter, Tait, and Westbroek voting in the affirmative and Trustee Call voting nay.

Ms. Cook recommended that the Board consider stating its intent to increase property taxes above the .000481 certified tax rate to the 0.000542 proposed tax rate. This would provide property tax revenue of \$11,779,000 for the District. This action would allow District staff to move forward with the truth in taxation process and related activities.

Mr. Anderson stated that each Board member is required to report Central Weber's intent to consider this increase to their respective legislative bodies during Council meetings. The District will provide a script and required information to each Trustee regarding what is required to be

presented. Other suggestions were made by Board members regarding additional information that would be helpful to be included in the presentation materials. Trustee Call clarified that the motion should declare only an intent to consider a property tax increase.

It was moved by Trustee Call and seconded by Trustee Mitchell as follows:

**That the Board declare its intent to consider increasing property taxes as presented.**

The motion carried by the affirmative vote of Trustees Allen, Blazzard, Call, Fowers, Hyer, Froerer, Mitchell, Porter, Tait, Vanderwood, and Westbroek.

Ms. Cook recommended that the Board schedule a public hearing to consider the property tax increase, to be held on August 14, 2023 at 6:00 p.m. She also recommended that the Board schedule a public hearing to consider adopting the final FY 2023-2024 Budget, also on August 14, 2023 at 6:00 p.m., after the Board has considered the proposed property tax increase.

It was moved by Trustee Call and seconded by Trustee Hyer as follows:

**That a public hearing be scheduled on August 14, 2023 at 6:00 p.m. to consider including a property tax increase in the District's FY 2023-2024 Budget and the imposition of a property tax rate that exceeds the certified rate, that a public hearing also be held on August 14, 2023 at 6:00 p.m. to consider the approval and adoption of the FY 2023-2024 Budget after considering the proposed property tax increase, and that District staff be authorized to advertise the public hearing as required by law.**

The motion carried by the affirmative vote of Trustees Allen, Blazzard, Call, Fowers, Hyer, Froerer, Mitchell, Porter, Tait, Vanderwood, and Westbroek.

Mr. Anderson pointed out that separate Board meetings might be required to discuss and consider general Board business and to consider approving a property tax increase.

#### **Consideration of Property and Liability Insurance Renewal:**

Ms. Cook advised the Trustees that the Utah Local Governments Trust (ULGT) has provided liability and property insurance rates for the District's FY 2023-2024 Tentative Budget. The new coverage will begin on July 1, 2023 and end on June 30, 2024. ULGT has insured the District for the past three years.

Property insurance premiums are increasing by 5% compared to last year. This is a generalized 5% increase across the insurance pool based on current market conditions. Currently, the market is seeing significantly larger increases in property insurance premiums due to inflation affecting the replacement value of property and market conditions. The premium costs to renew the District's insurance are: Automobile \$8,594.00, General Liability \$51,490.00, and Property \$256,456.00, for a total premium of \$316,540.00.

The FY 2023-2024 Tentative Budget includes \$330,000 for insurance. After reviewing the insurance coverage proposal, Ms. Cook recommended that the Board approve the renewal of the District's property, automobile, and liability insurance coverage.



Trustee Porter asked why the Budget does not match the quoted premium cost. Ms. Cook explained that having additional money in the Budget is wise in order to cover increases in assets during the coming fiscal year.

It was moved by Trustee Porter and seconded by Trustee Mitchell as follows:

**That the automobile, property, and liability insurance premium renewal quotes, totaling \$316,540.00, presented by the Utah Local Governments Trust be approved as presented.**

The motion carried by the affirmative vote of Trustees Allen, Blazzard, Call, Fowers, Hyer, Froerer, Mitchell, Porter, Tait, Vanderwood, and Westbroek.

**Consideration of the FY 2023 Fraud Risk Assessment:**

Ms. Cook presented the FY 2023 Fraud Risk Assessment and explained that the purpose of the annual assessment is to improve internal controls and incorporate the five principals of effective internal control framework into the organization. The District's FY 2023 score is 375 out of 395, which puts the District at the "Very Low" risk level. Ms. Cook anticipates that the score will stay constant in future years. Ms. Cook thanked the Trustees for their support of policies and procedures to implement internal controls, and recommended that the Board approve the FY 2023 Fraud Risk Assessment.

It was moved by Trustee Hyer and seconded by Trustee Froerer as follows:

**That the District's Fiscal Year 2023 Fraud Risk Assessment be approved as presented.**

The motion carried by the affirmative vote of Trustees Allen, Blazzard, Call, Fowers, Hyer, Froerer, Mitchell, Porter, Tait, Vanderwood, and Westbroek.

**Possible Closed Meeting Concerning Pending & Threatened Litigation, Purchase of Real Property and/or Personnel Issues:**

There was no need to go into a closed meeting.

**General Manager:**

Mr. Hall reminded the Trustees that the next meeting will be held on July 10<sup>th</sup>, which is a week earlier than usual due to the July holiday celebrations. He also asked the Trustees to sign the conflict-of-interest disclosure and ethical behavior pledge forms that were provided to them. Both forms are provided annually, and Mr. Hall requested that they be returned to the District by no later than the 30<sup>th</sup> of June.

**Attorney:**

Mark Anderson had no additional business to present.

**Other Business:**

Trustee Hyer invited everyone to join Ogden City in celebrating Pioneer Days at the parade and rodeo next month. Chairman Allen encouraged the Trustees to attend all of the celebrations of the various cities this summer.

**Adjournment:**

There being no further business to come before the Board, it was moved by Trustee Hyer and seconded by Trustee Call as follows:

**That the Board meeting be adjourned.**

The motion carried by the affirmative vote of Trustees Allen, Blazzard, Call, Fowers, Hyer, Froerer, Mitchell, Porter, Tait, Vanderwood, and Westbroek.

Chairman Allen declared the meeting to be adjourned at 6:34 p.m.

Approved by the Board of Trustees of the Central Weber Sewer Improvement District on the 10<sup>th</sup> day of July, 2023.

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Mark C. Allen, Chairman

ATTEST:

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Camille Cook, Clerk