

MINUTES OF THE MEETING OF THE TRUSTEES
OF THE CENTRAL WEBER SEWER IMPROVEMENT DISTRICT
HELD MONDAY, JANUARY 24, 2022, AT THE DISTRICT OFFICE
LOCATED AT 2618 WEST PIONEER ROAD, MARRIOTT-SLATERVILLE, UTAH.

Trustees Present: Mark Allen, Neal Berube, Bart Blair, Josh Blazzard, Leonard Call, Dale Fowers, Rich Hyer, Scott Jenkins, Braden Mitchell, Russ Porter, Michelle Tait, Scott Van Leeuwen, Rob Vanderwood, and Rod Westbroek.

Trustee Excused: Mike Caldwell

Others Present: Kevin Hall, John Cardon, Mark Anderson, Shawn Wilson, Paige Spencer, James Dixon, Jeff Beckman, Ryan Bench, Chad Meyerhoffer, Mike Holland, and Grayden Nicholson.

Call to Order:

The meeting was called to order at 5:00 p.m. by Chairman Allen.

The pledge of allegiance was led by Trustee Porter

The invocation was offered by Trustee Tait

Public Comment:

There were no public comments.

Introduction and Oath of Office for New Board Members:

Introductions went around the room for the benefit of the new Trustees.

Prior to the administration of the oath of office to the new Trustees, at the request of Chairman Allen, Mark Anderson explained weighted Trustee voting based on the assessed value of real property within the various jurisdictions that have representation on the Board, which is unique to the Central Weber Sewer Improvement District.

John Cardon administered the oath of office to new Board Trustees Rob Vanderwood, Braden Mitchell, Josh Blazzard, and Rod Westbroek.

Election of Board Chairman and Vice-Chairman:

Chairman Allen advised the Board that, every two years, the Board Chairman and Vice-Chairman positions are up for election. Chairman Allen commented that he would like to remain as Board Chairman, and he would like Trustee Hyer to continue as the Vice-Chairman.

It was moved by Trustee Van Leeuwen and Seconded by Trustee Hyer as follows:

That the position of Board Chairman continue to be filled by Mark Allen and that the position of Vice-Chairman continue to be filled by Rich Hyer.

The motion carried by the affirmative vote of Trustees Allen, Berube, Blair, Blazzard, Call, Fowers, Hyer, Mitchell, Porter, Tait, Van Leeuwen, Vanderwood, and Westbroek. Trustee Jenkins voted “nay”.

Minutes of December 20, 2021 Board Meeting Approval:

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

That the December 20, 2021 Board meeting minutes be approved as presented.

The motion carried by the affirmative vote of Trustees Allen, Berube, Blair, Blazzard, Call, Fowers, Hyer, Jenkins, Mitchell, Porter, Tait, Van Leeuwen, Vanderwood, and Westbroek.

Ratification of Vouchers:

John Cardon explained that Kevin Hall, General Manager, and John Cardon, Finance Director, are authorized to approve invoices up to \$50,000.00. They are also authorized to approve payments above \$50,000.00 for utilities, payroll and benefits, and bond interest and principal payments that have been budgeted by the Board and for which the District is legally obligated. The Board of Trustees only meets on a regular basis once a month, when all invoices paid during the prior month are ratified by the Board. Invoices requiring approval by the Board before a check is issued are presented during the monthly Board meeting, and a check is then issued after Board approval.

John Cardon reviewed the payments that were made during the month of December 2021 that were approved by the Board prior to payment: Check 37754 issued to Nelson Brothers Construction Company for work completed on the Drying Bed Rehab Project in the amount of \$415,855.84; Check 37753 issued to C & L Water Solutions, Inc. for work completed on the Hooper Pipeline Rehab Project in the amount of \$112,354.60; and Check 37752 issued to the Bank of Utah for retainage credited to Nelson Brothers Construction Company in the amount of \$21,887.15 and to C & L Water Solutions, Inc. in the amount of \$5,913.40; and ACH payments 122021 and 122121 were paid to Carollo Engineers for the UV Disinfection System Design (\$57,135.95), and Expansion Project Phase II Engineering (\$154,862.62).

Mr. Cardon then reviewed the December, 2021 Check Register, which is a list of all checks and other payments issued by the District during the month, a copy of which was included in the Board packet that was delivered to the Trustees prior to the Board

meeting. Mr. Cardon recommended that the vouchers be ratified and approved in the amount of \$2,533,292.36.

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

That the payments issued during the month of December 2021, in the total amount of \$2,533,292.36, be approved and ratified as presented in the Check Register.

The motion carried by the affirmative vote of Trustees Allen, Berube, Blair, Blazzard, Call, Fowers, Hyer, Jenkins, Mitchell, Porter, Tait, Van Leeuwen, Vanderwood, and Westbroek.

Consideration of Pay Requests & Equipment Purchases:

James Dixon presented two payment requests for consideration by the Board:

1. Carollo Engineers, Inc. requested a payment of \$138,270.35 for work on the Phase II Expansion Project, a large upcoming construction project that is being designed by Carollo Engineers and is necessary for compliance with state and EPA requirements.

Mr. Dixon recommended approval of the Carollo Engineers payment request. It was moved by Trustee Van Leeuwen and seconded by Trustee Jenkins as follows:

That the payment request from Carollo Engineers, Inc. be approved for payment as presented in the total amount of \$138,270.35.

The motion carried by the affirmative vote of Trustees Allen, Berube, Blair, Blazzard, Call, Fowers, Hyer, Jenkins, Mitchell, Porter, Tait, Van Leeuwen, Vanderwood, and Westbroek.

2. Carollo Engineers, Inc. requested a payment of \$162,065.00 for work on the UV Disinfection System design. This project will be constructed as part of the Phase II expansion project and includes the conversion of the District's existing chlorine-based disinfection system with a UV disinfection system.

Mr. Dixon recommended approval of the Carollo Engineers payment request. It was moved by Trustee Jenkins and seconded by Trustee Van Leeuwen as follows:

That the payment request from Carollo Engineers, Inc. be approved for payment as presented in the total amount of \$162,065.00.

The motion carried by the affirmative vote of Trustees Allen, Berube, Blair, Blazzard, Call, Fowers, Hyer, Jenkins, Mitchell, Porter, Tait, Van Leeuwen, Vanderwood, and Westbroek.

Review of Prequalified Contractors for Expansion Project:

James Dixon reported that, in 2021, the Phase 1 portion of the treatment plant nutrient upgrades were completed, and the design of Phase 2 is nearing completion. The 90% design was submitted recently. This project will include two additional aeration basins and two secondary clarifiers, and will replace the chlorine gas disinfection system with an Ultraviolet Light disinfection system. The design is expected to be ready for bidding soon, and bids are anticipated to be ready for award at the May 2022 Board meeting.

In preparation for bidding, the District requested Statements of Qualification (“SOQ”) in order to prequalify general and electrical contractors to do the work. SOQs were due on December 8, 2021, and seven general contractors and five electrical contractors submitted SOQs. The submittals were scored based on criteria such as work experience, references, and the qualifications of the individual project team members. At the end of that process, the following contractors were prequalified:

GENERAL CONTRACTORS	ELECTRICAL CONTRACTORS
Alder Construction Co	Cache Valley Electric
Archer Western	GSL
Gerber Construction	Skyline
MWH Constructors	
RSCI	

The Trustees and staff discussed how the general contractors and subcontractors will work together and the criteria for prequalifying them. Trustee Jenkins expressed concern about limiting the general contractor’s subcontractor choices. James Dixon explained that the District has used this method in the past, and it has worked well.

Certification of Annexation/Withdrawal Petitions:

Mr. Hall explained the process of annexing areas into the District. Most properties within the cities served by the District are already part of the District. However, some portions of unincorporated Weber County and Marriott-Slaterville City have not been annexed. Before properties can be served, they must be annexed into the District. First, annexation petitions are certified by the Board. Staff then proceeds with the necessary notifications and, often during the next Board meeting, the Board will adopt a Resolution to approve the annexation. Typically, a map will be provided at the petition certification stage for the Board’s information. There were no annexation petitions for the Board to consider this month.

Consideration of Annexation Approvals:

The annexation map from the previous month was displayed for the information of the new Board members. Kevin Hall explained that three annexations were ready for Board consideration:

- a. **Resolution 2022-01** – The Don Carter Annexation is a 0.8 acre single residential lot in unincorporated Weber County. A copy of the Resolution was in the Board meeting packet. Mr. Hall recommended approval of the annexation.

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

That Resolution 2022-01 be adopted, thereby approving the annexation of the subject real property into the District.

The motion carried by the affirmative vote of Trustees Allen, Berube, Blair, Blazzard, Call, Fowers, Hyer, Jenkins, Mitchell, Porter, Tait, Van Leeuwen, Vanderwood, and Westbroek.

- b. **Resolution 2022-02** – The Ty Martinez Annexation is a 5.9 acre commercial development in Marriott-Slaterville. Mr. Hall recommended approval.

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

That Resolution 2022-02 be adopted, thereby approving the annexation of the subject real property into the District.

The motion carried by the affirmative vote of Trustees Allen, Berube, Blair, Blazzard, Call, Fowers, Hyer, Jenkins, Mitchell, Porter, Tait, Van Leeuwen, Vanderwood, and Westbroek.

- c. **Resolution 2022-03** – The Chris Whetton Annexation is a 0.5 acre commercial development. Mr. Hall recommended approval.

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

That Resolution 2022-03 be adopted, thereby approving the annexation of the subject real property into the District.

The motion carried, using a roll call vote, by the affirmative vote of Trustees Allen, Berube, Blair, Blazzard, Call, Fowers, Hyer, Jenkins, Mitchell, Porter, Tait, Van Leeuwen, Vanderwood, and Westbroek.

Consideration of Resolution 2022-04: Approving Updates to District Bylaws:

Mr. Hall explained that the Bylaws had not been updated since 2004. Mark Anderson reviewed and updated the Bylaws to make the Bylaws and the statutory references in the Bylaws consistent with current law, without changing the District's operations.

It was moved by Trustee Jenkins and seconded by Trustee Van Leeuwen as follows:

That the updated District Bylaws be approved to replace the prior Bylaws.

The motion carried by the affirmative vote of Trustees Allen, Berube, Blair, Blazzard, Call, Fowers, Hyer, Jenkins, Mitchell, Porter, Tait, Van Leeuwen, Vanderwood, and Westbroek.

Consideration of the West Weber Sewer Project:

Trustee Jenkins introduced Chad Meyerhoffer from Weber County's staff. Mr. Hall then reviewed information from a memorandum that was in the Board meeting packet, which included a detailed summary of past discussions of the western Weber County sewer situation. There is interest in developing much of the area as a large industrial complex, along with residential developments. On May 17, 2021, the Board passed a motion: "That CWSID consider including western Weber County sewer development in the CWSID Master Plan." The Master Plan contract was awarded in December of 2021, and this evaluation was included in the engineers' scope of work.

During a Board meeting on August 16, 2021, Trustee Jenkins asked the Board to consider a new pipeline along 900 South to service the area, at an estimated cost of between twenty million and thirty million dollars. At that time, Trustee Jenkins expected about ten million dollars of the project costs to be covered by ARPA funds, with an additional five million dollars from the County. The Board then passed a motion: "That the Board continue talks about adding the sewer main to serve western Weber County."

Jared Anderson, from Sunrise Engineering, was hired by Weber County to study sewer service for western Weber County. Trustee Jenkins provided additional information during the November 15, 2021 Board meeting, after which the Board passed the following motion: "That the Board consider, in concept, the approval of the West Weber Corridor Project for further study, with management to investigate and negotiate and bring a possible recommendation for consideration by the Board." The sewer service needs of western Weber County were also discussed during the December 20, 2021 Board meeting.

After Mr. Hall's review of the Board's prior discussions and motions, Trustee Jenkins discussed the need for and benefits of providing sewer service to western Weber County. The County's view is that it will open up new development and locations for more industry. Trustee Jenkins provided examples to illustrate his point. In response to

a question from Trustee Porter, Trustee Jenkins stated that the District would receive impact fees for current and all future west Weber County developments.

Mr. Hall advised the Trustees that the cost numbers provided by Sunrise Engineering are preliminary, and they could go up. The current cost estimate is 32 million dollars, but it could be as high as 35 million dollars. Everyone is nervous about estimating construction costs. Staff has reviewed the cost estimate, and there are indications that the eventual cost of the project may increase as the parameters are evaluated. For example, the proposed gravity line is 10 inches in diameter. The District doesn't operate any trunklines that small, suggesting that the line might be undersized. Pump stations would also need to be constructed. The current offer from the County is 15 million dollars (\$10M of ARPA funds and \$5M from the County). Based on the current cost estimate, the deficit to be covered by the District would be 17 million dollars.

Mr. Hall reminded the Trustees that a detailed analysis has not been completed. Seventeen to 20 million dollars is the estimated cost to Central Weber. The District's financial plan was developed to cover known project costs. There would not be any cash reserves to pay 17 million dollars, and the District would have to issue bonds. Mr. Cardon explained that, for a 17 million dollar bond issued mid-year in 2023, the District's financial advisor has estimated interest at 3%. At an interest rate of 3%, and a term of 20 years, it would cost 24 million dollars to pay back a 17 million dollar loan.

Mr. Hall stated that the Miskan project would bring in approximately 4500 equivalent residential units (ERUs). Trustee Jenkins suggested that another 4500 ERUs can be expected from other residential development in the area. If the District decides to serve western Weber County as requested, it will be necessary to update the District's impact fees, which could include the establishment of a service area encompassing the area that will be served by the west Weber County outfall line and pump stations, the cost of which could then be reimbursed by new growth as impact fees are collected in the western Weber County service area. Over a ten year period, it is estimated that the District might recover 9 million dollars of the 24 million dollar bond cost and, at ultimate buildout, the District could expect to recover the entire cost, but there would be cash flow issues to consider and the District would have to cover any shortfalls.

In response to a question from Trustee Berube, Mr. Hall stated that Sunrise Engineering has provided what appear to be fairly accurate operating cost estimates. In response to a question from Trustee Call, Mr. Hall noted that, last May, the Board voted to update the District's Master Plan Study, and the master planning effort has begun. Trustee Berube asked how the District could cover the shortfall? Mr. Hall responded that it would require a combination of property tax and service fee increases.

Trustee Hyer stated that the Legislature is hot on two issues: First, the Great Salt Lake and its water levels. The projects being contemplated by the District would not adversely affect the Great Salt Lake because of the effluent return flows from the District's sewage treatment plant. If the District does not move forward, Randy Marriott is planning to construct a sewage lagoon from which there would be no return flows.

The other issue is housing availability. Trustee Hyer asked if there is an opportunity to petition the Legislature to get more money? Trustee Jenkins stated that might be possible to get 10 million dollars from the State and 10 million dollars from the County, if there are no lagoons. Trustee Jenkins added that, if the development starts out with a lagoon, with all the housing, in a few years it will get too big, and it will be necessary for the wastewater to come to the District for treatment.

In response to a question from Mr. Hall, Trustee Jenkins stated that we should not expect to get more information from Sunrise Engineering. A back and forth discussion between the Trustees and staff followed. That discussion touched upon such subjects as whether an environmental impact study will be required, timing issues and concerns, and the cost to hire an engineer to begin the design. Typically, an engineer would develop a 30% design, then a 60% design, and then a final design. At 30%, the engineer would prepare a cost estimate based on better data. Mr. Hall recommended that a stopgap be programmed into the engineer's scope of work. If the costs balloon, the Board could decide to discontinue the project. Trustee Jenkins stated that, by April, Weber County should know if it can get 20 million dollars of funding.

The back and forth discussion continued, including both installation costs and operation and maintenance cost estimates. There was also a brief discussion of the Little Mountain Service Area, for which Central Weber runs a sewer lagoon. If new lagoons are built, the District will probably be asked to run them. Trustee Jenkins stated that 8,500 acres are owned by Randy Marriott, and he would build the sewage lagoon, but Weber County would own it because a lagoon cannot be operated by a private entity. The County is committed to do the invoicing and create a new sewer district, if necessary. In response to a question from Trustee Porter, Mr. Hall stated that the District will likely be involved either way and it is hard to say, at this point, which would be more problematic.

Mr. Hall suggested that the design be started. He estimated that a 30% design would cost around \$500,000.00 and take about 6 months from the date the engineer begins working. Trustee Blair asked if the Board is being asked to commit to \$500,000 tonight. Mr. Hall and Mark Anderson responded that, following an engineering procurement process, the Board would be asked to consider the award of an engineering contract in a few months.

It was moved by Trustee Berube and seconded by Trustee Jenkins as follows:

That District staff be authorized to move forward on an engineering study for the western Weber County pipeline.

The motion carried by the affirmative vote of Trustees Allen, Berube, Blair, Blazzard, Call, Fowers, Hyer, Jenkins, Mitchell, Porter, Tait, Van Leeuwen, Vanderwood, and Westbroek.

Mr. Hall clarified that it may be wise to wait until Trustee Jenkins confirms the funding commitment before proceeding with an engineering contract, which may happen in April.

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

There was no need to close the meeting.

General Manager:

Mr. Hall presented an “Award of Excellence” that was given by the Associated General Contractors of Utah to the Central Weber team that worked on the North Area Relief Sewer.

Attorney:

Mark Anderson reminded the group that every Tuesday, in the Senate Building at the Capital, the Utah Association of Special Districts Legislative Committee meets to discuss Bills, and anyone is welcome to participate.

Other Business:

At Chairman Allen’s request, Paige Spencer took a poll of the Trustees to determine who wanted to receive Board meeting packets in the mail and who wanted the packets to be available at the Board meeting. An updated list was compiled.

Chairman Allen asked Kevin Hall to hand out a paper with committee assignments. Chairman Allen mentioned that he spoke ahead of time with Trustee Berube and asked him to Chair the Finance Committee. He also asked Trustee Tait to Chair the Personnel Committee and Trustee Hyer to Chair the Long-Range Planning Committee.

Adjournment:

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

That the Board meeting be adjourned.

The motion carried by the affirmative vote of Trustees Allen, Berube, Blair, Blazzard, Call, Fowers, Hyer, Jenkins, Mitchell, Porter, Tait, Van Leeuwen, Vanderwood, and Westbroek.

Chairman Allen declared the meeting to be adjourned at 6:42 p.m.

Approved by the Board of Trustees of the Central Weber Sewer Improvement District this 28th day of February 2022.

Mark C. Allen, Chairman

ATTEST:

John Cardon, Clerk

4893-0197-3004, v. 1

DRAFT