

MINUTES OF THE MEETING OF THE TRUSTEES
OF THE CENTRAL WEBER SEWER IMPROVEMENT DISTRICT (CWSID)
HELD MONDAY, AUGUST 14, 2023 AT 5:00 PM, AT THE DISTRICT OFFICE
LOCATED AT 2618 WEST PIONEER ROAD, MARRIOTT-SLATERVILLE, UTAH.

Trustees Present: Mark Allen, Bart Blair, Neal Berube, Josh Blazzard, Leonard Call, Rich Hyer, Braden Mitchell, Michelle Tait, Scott VanLeeuwen, and Rod Westbroek

Trustees Excused: Mike Caldwell, Dale Fowers, Gage Froerer, Russ Porter, and Rob Vanderwood.

Others Present: Kevin Hall, Camille Cook, James Dixon, Paige Spencer, Mark Anderson, Clay Marriott, Shawn Wilson, Ryan Bench-Corollo, Mike Elmer, Sheri Bingham, Shay Call, and Jennifer Stanger.

Call to Order

Chairman Allen called the meeting to order at 5:00 p.m.

The pledge of allegiance was led by Trustee Blair.

The invocation was offered by Trustee Hyer.

Public Comment

Jennifer Stanger, from Hooper City, inquired about the Hooper Pipeline Rehab Project. She asked if the work was undertaken due to a problem in the system, if it was something that could have been prevented, or if it was normal maintenance? Chairman Allen advised her that the Project would be addressed under agenda item #3 and District staff would answer her questions during that discussion.

Minutes of July 10, 2023 Board Meeting Approval

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

That the July 10, 2023 Board meeting minutes be approved as presented.

The motion carried by the affirmative vote of Trustees Allen, Blair, Berube, Blazzard, Call, Hyer, Mitchell, Tait, VanLeeuwen, 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 July 2023 Check Register, which is an itemized list of all payments made by the District during July, in the total amount of \$4,496,932.83.

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

That the July 2023 Check Register be ratified and approved as presented in the total amount of \$4,496,932.83.

The motion carried by the affirmative vote of Trustees Allen, Blair, Berube, Blazzard, Call, Hyer, Mitchell, Tait, VanLeeuwen, and Westbroek.

Project Updates of Major Capital Projects

James Dixon updated the Board on the Industrial Park Lift Station Project being constructed by Whitaker Construction. The Project is expected to be completed next month.

Mr. Dixon explained that, during July, Gerber Construction completed work on the Phase 2 Expansion Project valued at \$3,125,594.60. The Project has a long way to go, but is moving forward according to schedule.

Mr. Dixon went into detail regarding the Hooper Pipeline Rehab Project, which is being completed in two segments. The Project runs from the Hooper City boundary to the Weber River. The first segment is the southern half and the second segment is the northern half of the Project. Mr. Dixon explained that the concrete pipeline, which is owned by the District, was placed into service 20 years ago. Over time, sewer gases have eaten away at the concrete, so C&L Construction is lining the pipe with fiberglass. Central Weber does not expect expansion of this line in the near future. Ms. Stanger asked who will pay for the Project, is the cost shared by the entire District or is it paid by Hooper residents? Chairman Allen responded that it is a main trunkline that is shared by the whole District. Clay Marriott noted that Phase 1 will be wrapping up by the end of September. The north section, Phase 2, is underway and will be completed next year. Mr. Marriott stated that the pipe diameter ranges between 24 inches and 42 inches, and it is significantly less expensive to rehabilitate the pipe by lining it, as opposed to replacing it. Ms. Stanger had no additional questions.

Certification of Annexation/Withdrawal Petitions

There were no petitions to be certified.

Consideration of Annexation Approvals

Kevin Hall presented three annexation approval Resolutions to be considered by the Board:

- Resolution 2023-13, Kum & Go – less than a 1 acre commercial development in Marriott-Slaterville
- Resolution 2023-14, Scadden – a 7.44 acre development in Weber County
- Resolution 2023-15, Meyerhoffer Meadows – a 19.3 acre residential development in Marriott-Slaterville

Trustee Tait asked if the developer of one of the properties is the same BlackPine with which the District is working in western Weber County. Mr. Hall confirmed that it is the same BlackPine Group.

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

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

That the Annexation Approval Resolution for the Kum & Go property, Resolution 2023-13, be approved and adopted.

The motion carried, using a roll call vote, with Trustees Allen, Blair, Berube, Blazzard, Call, Hyer, Mitchell, Tait, VanLeeuwen, and Westbroek each voting in the affirmative.

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

That the Annexation Approval Resolution for the Scadden development, Resolution 2023-14, be approved and adopted.

The motion carried, using a roll call vote, with Trustees Allen, Blair, Berube, Blazzard, Call, Hyer, Mitchell, Tait, VanLeeuwen, and Westbroek each voting in the affirmative.

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

That the Annexation Approval Resolution for Meyerhoffer Meadows, Resolution 2023-15, be approved and adopted.

The motion carried, using a roll call vote, with Trustees Allen, Blair, Berube, Blazzard, Call, Hyer, Mitchell, Tait, VanLeeuwen, and Westbroek each voting in the affirmative.

Review and Consideration of Surplus Property:

Kevin Hall explained that the District owns a 2012 Chevrolet Silverado that is no longer in use due to the recent purchase of a new 2023 Chevrolet Silverado, as was approved in the FY 2023-2024 Budget. District staff plans to sell the truck on KSL.com for no less than \$16,000, which is the current estimated value based on Kelley Blue Book and the NADA Guide.

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

That the District's 2012 Chevrolet Silverado truck be declared to be surplus and be sold, as discussed.

The motion carried by the affirmative vote of Trustees Allen, Blair, Berube, Blazzard, Call, Hyer, Mitchell, Tait, VanLeeuwen, and Westbroek.

Consideration of Real Property Proposals

Mr. Hall notified the Trustees that an informal proposal has been received concerning a potential acquisition or trade of real property. He recommended that the Board consider moving into a closed meeting to discuss the proposal.

Trustee Berube suggested that the Board defer the closed meeting until after agenda item # 9, Review and Consideration of Travel Policy Updates, so the public in attendance could remain in the Board room for the Travel Policy discussion, before being excused for the closed meeting. Chairman Allen and the Trustees agreed to defer the closed meeting discussion.

Review and Consideration of Travel Policy Updates

Mr. Hall explained that the District's current Travel Policy was adopted in 2002. District staff prepared recommended language to address needed changes to and updates of the Policy. The Travel Policy, with the recommended edits highlighted, was included in the Board meeting packet. Mr. Hall reviewed the Policy changes, including one change that wasn't in the highlighted language, and advised the Board that the recommended amendments are intended to comply

with changes in state laws and include updates that will align the Policy with current District practices. Mr. Hall advised the Board that Mark Anderson provided legal input on the proposed District Travel Policy amendments.

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

That the Travel Policy updates be approved as presented.

The motion carried by the affirmative vote of Trustees Allen, Blair, Berube, Blazzard, Call, Hyer, Mitchell, Tait, VanLeeuwen, and Westbroek.

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

This agenda item was deferred from earlier in the meeting.

Chairman Allen recommended that the Board go into a closed meeting to discuss the acquisition of real property.

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

That the Board go into a closed meeting to discuss the acquisition of real property.

The motion carried by the affirmative vote of Trustees Allen, Blair, Berube, Blazzard, Call, Hyer, Mitchell, Tait, VanLeeuwen, and Westbroek.

Chairman Allen asked members of the public to step out of the Board room and invited District staff members Kevin Hall, Camille Cook, Paige Spencer, and James Dixon to remain in the closed meeting with Trustees Allen, Blair, Berube, Blazzard, Call, Hyer, Mitchell, Tait, VanLeeuwen, and Westbroek. Mark Anderson also participated in the closed meeting.

Chairman Allen declared the meeting to be closed at 5:29 p.m. and declared the meeting to again be open at 5:58 p.m. No action was taken during the closed portion of the meeting, other than the approval of a motion to end the closed portion of the meeting and return to open session.

The doors to the Board room were opened so members of the public could re-enter.

Chairman Allen stepped out of the room and Trustee Hyer, who is the Vice Chairman of the Board, chaired the rest of the meeting.

General Manager

Mr. Hall had no additional comments.

Attorney

Mark Anderson had nothing to add.

Other Business

None.

Adjournment

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

That the Board meeting be adjourned.

The motion carried by the affirmative vote of Trustees Blair, Berube, Blazzard, Caldwell, Call, Hyer, Mitchell, Tait, VanLeeuwen, and Westbrook.

Trustee Hyer declared the meeting to be adjourned at 5:59 p.m.

Approved by the Board of Trustees of the Central Weber Sewer Improvement District on the 18th day of September, 2023.

Mark C. Allen, Chairman

ATTEST:

Camille Cook, Clerk

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Others Present: Kevin Hall, Camille Cook, James Dixon, Paige Spencer, Mark Anderson, Clay Marriott, Ryan Bench–Corollo, Mike Elmer, Sheri Bingham, Shay Call, and Jennifer Stanger.

Call to Order:

Chairman Allen called the meeting to order at 6:00 p.m. and welcomed everyone to the second Board meeting of the evening.

Truth in Taxation

Motion to Open the Truth in Taxation Public Hearing Regarding the Board’s Intent to Consider Levying a Property Tax Rate that Exceeds the District’s Certified Tax Rate

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

That the Truth in Taxation Public Hearing, regarding the Board’s intent to consider levying a property tax rate that exceeds the District’s certified tax rate, be opened.

The motion carried by the affirmative vote of Trustees Allen, Blair, Berube, Blazzard, Call, Hyer, Mitchell, Tait, VanLeeuwen, and Westbroek, and Chairman Allen declared the public hearing to be open.

Review Proposed Property Tax Increase

Kevin Hall explained that the District has been preparing and contemplating a property tax increase for some time. As summarized in a memorandum, the Board has considered the proposed property tax increase carefully and has followed the statutory Truth in Taxation process. The Trustees were familiar with the reasons for the proposed property tax increase, but Mr. Hall provided a recap for the benefit of the public in attendance.

The District uses property tax revenue to pay operation and maintenance costs of the District’s sanitary sewer system. The District treats wastewater from 16 municipal entities, which collectively produced approximately 30 million gallons of wastewater per day (MGD) last year. District personnel work hard to run the facilities in a cost effective manner. There are four comparable sewer Districts along the Wasatch Front with a similar scope of responsibility. Mr. Hall presented a recent comparison showing that Central Weber has lower than average operating expenses when compared to these peer facilities, as expressed in dollars per million gallons treated.

The District continues to operate efficiently, but must respond to increasing operating expenses due to inflation in the cost of essential operating inputs such as chlorine, the cost of which has increased 184% since June of 2021, and natural gas, the cost of which has increased by 13.74% over the past year. In addition to routine expenses, the District has undertaken some large, essential maintenance projects.

The principal sources of District income are treatment fees paid by the District's customers, impact fees paid in connection with new construction (development) within the District, and property taxes. Treatment fees and impact fees are pledged as revenue sources for the repayment of bonds. Property taxes are not pledged for the repayment of bonds, which have been and will be issued by the District to cover part of the cost of capital facility construction projects. The Bond Indentures require the District to apply property taxes toward the payment of the operation and maintenance expenses of the sanitary sewer system. The Board approved a five-year Financial Plan earlier this year in response to the increases in operation and maintenance costs. The Plan includes the proposed property tax increase.

Camille Cook, the District's Finance Director, stated that staff has previously discussed the recommendation to increase the District's property tax rate with the Board. Based on the approved five-year Plan and the budgeted need to receive \$11,779,000 in property tax revenue, a property tax rate increase to 0.000523, which represents an 8.73% increase, will be necessary.

The proposed increase would provide an additional \$938,000 in revenue for the District. This revenue has been included to balance the FY 2024 (which runs from July 1, 2023 to June 30, 2024) Tentative Budget, which the Board will consider as a separate agenda item.

The average value of a residence in the District is \$477,000. The property tax paid on an average residence would increase by \$11.02 per year. The property tax on a business having the same value would increase by \$20.03 per year. Both Weber and Davis Counties have tax relief programs available, and the District encourages taxpayers who are concerned with their ability to pay the proposed property tax increase to look into the qualifications and benefits of those programs.

District staff recommended that the Board receive public input on the proposed 2023 property tax rate and consider Resolution 2023-16 to approve a property tax rate of 0.000523.

Trustee Allen asked the Trustees if they had any comments or questions. Trustee Berube, who Chairs the District's Finance Committee, commented that the Finance Committee has spent significant time trying to reach a balance between service fees and property taxes. The Committee Members are very concerned about the burden on the cities and their citizens. The goal of the Financial Plan is to achieve a balance between running the District efficiently and effectively and also meeting the District's obligations without placing an undue burden on the citizens the District serves.

Trustee Hyer commented that the District is prudent with resources and keeping costs lower than other sewer districts, while still maintaining a large sewage treatment plant. It is evident that the District has a quality staff, as reflected by the awards they win in competitions with employees of other sewer systems. He stated that the Trustees don't take property tax increases lightly.

Public Comment

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

Motion to Close Public Hearing & Reconvene the General Session

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

That the public hearing be closed and the Board reconvene in general session.

The motion carried by the affirmative vote of Trustees Allen, Blair, Berube, Blazzard, Call, Hyer, Mitchell, Tait, VanLeeuwen, and Westbroek.

Consideration of Resolution 2023-16: Approving 2023 Tax Rate

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

That Resolution 2023-16 be adopted, thereby approving the District's 2023 property tax rate of 0.000523.

The motion carried, using a roll call vote, with Trustees Allen, Blair, Berube, Blazzard, Call, Hyer, Mitchell, Tait, VanLeeuwen, and Westbroek each voting in the affirmative.

Fiscal Year 2024 Budget

Motion to Open the Fiscal Year 2024 Budget Public Hearing

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

That the Fiscal Year 2024 Budget public hearing be opened.

The motion carried by the affirmative vote of Trustees Allen, Blair, Berube, Blazzard, Call, Hyer, Mitchell, Tait, VanLeeuwen, and Westbroek, and Chairman Allen declared the public hearing to be open.

Review Fiscal Year 2024 Tentative Budget

Camille Cook advised the Board and the public attendees that the FY 2024 Budget has been a collaborative effort, and expressed the staff's appreciation for the input from and teamwork of everyone who reviewed the District's budgetary needs and projections.

Ms. Cook stated that, overall, the expenses in the Budget have increased by 26.41%. The Board previously reviewed the Payroll & Benefits and Capital Projects portions of the Budget, along with the five-year Financial Plan. The Budget includes additional funds to cover debt service on the bonds that have been and will be issued to pay for capital projects. Revenues are proposed to increase by 121.79%, largely due to \$35,000,000 in bond proceeds that the District expects to receive during the fiscal year.

The FY 2024 Budget includes \$29,201,000 in operating revenues and \$39,637,000 in non-operating revenues (which include a proposed \$35,000,000 bond as previously discussed). The Capital Projects Budget totals \$65,907,000, which includes a carryover of funds originally budgeted in FY 2023, for sewage treatment plant growth and expansion projects.

Ms. Cook noted that impact fees are budgeted at \$3,500,000. Impact fees will be evaluated throughout the year as District staff and consultants work on a new impact fee assessment, now that the new Master Plan has been completed. Ms. Cook explained that a 5% service fee increase, that was approved by the Board in June, is reflected in the revenue portion of the Budget.

Ms. Cook stated that the total proposed Operating Budget is \$9,006,000, which is an increase of 8.36% compared to the FY 2023 Budget. General inflation has contributed to increases in the Operating Budget, especially utilities and chemicals. The cost of natural gas has increased by 13.74% over the past year and chlorine costs have increased by 184% since the beginning of FY 2022. The Payroll and Benefits Budget includes an additional full-time employee, to bring the total number of full-time employees to 34. Even after adding a new employee, the District operates the most efficient sewage treatment plant (compared to other large sewer districts) by a significant margin, based on the number of employees per million gallons of wastewater treated per day. The cost of interest and principal on the bonds during the fiscal year is projected to be \$12,775,000, and miscellaneous expenses of \$740,000 are included in the Budget.

Ms. Cook recommended that the Board receive public input on the FY 2024 Budget and consider adopting Resolution 2023-17, thereby adopting the final FY 2024 Budget.

Trustee Berube explained to those in attendance that budgeted operating revenues are approximately 7.5% higher than last year's Budget. Operating revenues primarily consist of property taxes and sewage treatment fees paid by the District's wholesale customers (mostly cities). This is a much smaller percentage than the total revenue increase, which includes bond proceeds. Interest revenue will be evaluated throughout the year as interest rates change.

Chairman Allen thanked the District staff members for running the sewage treatment plant efficiently. Trustee Berube outlined the budgeting process and explained that the Finance Committee has spent considerable time looking at how the public's money is spent. There has been a lot of work, including various iterations of the Budget and financial plans, to get to this point.

Public Comment

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

Motion to Close Public Hearing & Reconvene the General Session

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

That the public hearing be closed and that the Board reconvene in general session.

The motion carried by the affirmative vote of Trustees Allen, Blair, Berube, Blazzard, Call, Hyer, Mitchell, Tait, VanLeeuwen, and Westbroek.

Consideration of Resolution 2023-17: Adopting the FY 2024 Budget

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

That Resolution 2023-17 be adopted, thereby approving the FY 2024 Budget.

Trustee Call stated that this is an excellent budget, and he agrees with it, but he would vote “no” as a protest to the way the District includes assessed property values in the treatment fee allocation formula. He suggested that the Finance Committee look at the billing formula. Trustee Berube mentioned that the Finance Committee has looked at the billing issue extensively in the past, and suggested that the Finance Committee could look at adjustments to make sure the assessments are fair. Mark Anderson commented that the District and its wholesale customers (mostly cities) have signed contracts that establish the billing formula, and the Board can’t unilaterally change the contractual formula. The contract of every affected wholesale customer would have to be aligned with a new formula. It could involve quite a process to change the formula.

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

Adjournment

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

That the Board meeting be adjourned.

The motion carried by the affirmative vote of Trustees Allen, Blair, Berube, Blazzard, Call, Hyer, Mitchell, Tait, VanLeeuwen, and Westbroek.

Chairman Allen declared the meeting to be adjourned at 6:22 p.m.

Approved by the Board of Trustees of the Central Weber Sewer Improvement District on the 18th day of September 2023.

Mark C. Allen, Chairman

ATTEST:

Camille Cook, Clerk