

MINUTES OF THE MEETING OF THE TRUSTEES
OF THE CENTRAL WEBER SEWER IMPROVEMENT DISTRICT (CWSID)
HELD MONDAY, SEPTEMBER 18, 2023 AT 5:00 PM, AT THE DISTRICT OFFICE
LOCATED AT 2618 WEST PIONEER ROAD, MARRIOTT-SLATERVILLE, UTAH.

Trustees Present: Mark Allen, Bart Blair, Josh Blazzard, Leonard Call, Dale Fowers, Rich Hyer, Gage Froerer, Braden Mitchell, Russ Porter, Michelle Tait, Scott VanLeeuwen, and Rod Westbroek

Trustees Excused: Neal Berube, Mike Caldwell, and Rob Vanderwood

Others Present: Kevin Hall, Camille Cook, James Dixon, Mark Anderson, Clay Marriott, Shawn Wilson, Brent Packer and Jeff Beckman (Bowen Collins & Associates), Doug Larsen (Marriott-Slaterville City), and Ryan Bench (Carollo Engineers)

Call to Order

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

The pledge of allegiance was led by Trustee Fowers.

The invocation was offered by Trustee Porter.

Public Comment

There were no public comments.

Minutes of August 14, 2023 Board Meeting Approval

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

That the August 14, 2023 Board meeting minutes be approved as presented.

The motion carried by the affirmative vote of Trustees Allen, Blair, Blazzard, Call, Fowers, Hyer, Froerer, Mitchell, Porter, 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 August 2023 Check Register, which is an itemized list of all payments made by the District during August, in the total amount of \$4,970,877.86.

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

That the August 2023 Check Register be ratified and approved as presented in the total amount of \$4,970,877.86.

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

Consideration of Purchases, Capital Projects, and Expenditures

James Dixon presented the purchase of flow meter parts for consideration by the Board. He explained that the flow meters are critical to the operation of the sewage treatment plant and maintaining compliance with applicable regulations; but the flow meters are starting to fail. There are five flow meters in total. One flow meter has already been repaired by replacing aging electronic components (“parts”); but two additional meters have failed. Mr. Dixon recommended that the Board approve the purchase of parts to repair four flow meters at a total cost of \$134,396.

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

That a contract be awarded to Accusonic in the amount of \$134,396 for flow meter replacement parts.

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

Mr. Dixon explained that four engineering firms responded to a request for statements of qualifications (SOQs) regarding the provision of engineering services for the 1900 West Pipeline Upgrade Project. A selection committee consisting of Trustee Hyer, Kevin Hall, James Dixon, and Clay Marriott reviewed the SOQs, ranked the engineering firms, and selected Bowen Collins & Associates as the most qualified firm for the Project. The committee members recommended that the Board award a Master Services Agreement to and approve a Task Order for Bowen Collins & Associates to provide engineering, design, and bidding services for the 1900 West Pipeline Upgrade Project at a total cost of not to exceed \$709,000, subject to legal review. Additional Task Orders may be issued in the future, with the Board’s approval.

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

That a Master Services Agreement and Task Order to provide engineering, design, and bidding services for the 1900 West Pipeline Upgrade Project be awarded to Bowen Collins & Associates, at a not to exceed total cost of \$709,000, subject to legal review.

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

Project Updates of Major Capital Projects

James Dixon and Clay Marriott presented financial and construction updates on the major capital projects that are under construction:

Phase 1 of the Hooper Pipe Rehab Project is now substantially complete. C&L Water Solutions is finishing a few minor items, after which the District will release the retainage that has been held on the Project. The vault repair, with new diversion gates, for this portion of the Project has been completed.

The Hooper Pipe Rehab Phase 2 work will soon resume. The property owners will allow construction access on this phase once the crops have been harvested.

The Industrial Park Lift Station Rehabilitation Project is now 100% billed and will be completed prior to the anticipated deadline. The Project included a new vault with a flow meter to measure wastewater flows from the lift station, along with new piping and valves. The Project also included restoration of manholes in walkways and removal of an onsite propane generator and replacing it with a diesel generator to provide protection against power outages.

Both the Hooper Pipe Rehab Phase 1 Project and the Industrial Park Lift Station Rehabilitation Project came in under budget.

Gerber Construction has continued to move forward on the Phase 2 Expansion and UV (ultraviolet light) Disinfection Project. The Project is approximately 25% complete, and the pace of the work is expected to accelerate. Supply chain issues have slowed some of the work, but construction is anticipated to be completed in early 2026. Currently, the contractor is pouring 180 to 220 cubic yards of concrete every three days for the aeration basins and clarifiers. A new pump will be added to the headworks building for future growth and expansion as part of this Project.

Certification of Annexation/Withdrawal Petitions

Kevin Hall stated that Matt Chugg, representing Avex Holdings, has petitioned for the annexation of a 2 acre commercial development in Marriott-Slaterville at the location shown on a map that was included in the Board packet. The ownership of the parcel has been verified, and Mr. Hall recommended Board certification of the Petition.

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

That the Annexation Petition for the Matt Chugg/Avex Holdings property in Marriott-Slaterville be certified.

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

Review and Consideration of Resolution 2023-18: Interlocal Agreement with Marriott-Slaterville City Community Redevelopment Agency

Mr. Hall introduced Doug Larsen, who represents the Community Reinvestment Agency of Marriott-Slaterville City (the "CRA"). The CRA has authorized or will authorize and adopt a Project Area Plan (the "Plan") for the Central Business District East Reinvestment Project Area (the "Project Area"). The CRA has presented an Interlocal Agreement pursuant to which the District would consent to the contribution to the CRA of 50% of the District's share of the "Tax Increment" that will be generated from the Project Area over a ten year period. The Interlocal Agreement is in harmony with the Central Weber Sewer Improvement District Tax Increment Financing/Guiding Principles (the "TIF") that previously was approved by the District Board of Trustees. Mr. Larsen has met with District staff and received a copy of the TIF, a copy of which was included in the Board packet for the Trustees' reference.

Mr. Larsen explained that the Project Area includes approximately 98 acres located east of I-15 and south of 12th Street. The 2022 taxable value of privately owned property located within the Project Area was approximately \$8,100,000.00. After 10 years, with the Project Area Plan in place, the taxable value is expected to grow to an estimated \$25,000,000.

The CRA's request aligns with the District's TIF guidelines. Marriott-Slaterville has reduced the administration fee to 3%, which is in line with the District's TIF guiding principles. After a housing set-aside, the remainder of the Tax Increment funds will be used to install public infrastructure, including sewer lines, in the Project Area. Marriott-Slaterville City is planning to install the infrastructure in conjunction with a road project on 17th Street. The Bona Vista Water District will also install a new 8 inch water line at the same time that the road project is being completed. Project costs are estimated to be over \$1,000,000. Marriott-Slaterville City will bear any difference between the project costs and Tax Increment funding that is collected by the CRA.

Development of the Project Area, particularly the availability of sanitary sewer service, will enable the expansion of an existing local business. The planned expansion is expected to generate 75 to 100 new jobs and to increase Marriott-Slaterville's tax base by approximately \$25,000,000. The installation of new sewer lines that will replace existing septic systems in the Project Area is an additional expected benefit.

Marriott-Slaterville City is asking for a 10% housing set-aside, which is expected to add at least \$100,000 to Marriott-Slaterville's housing fund for moderate-income housing within the City. A net benefit analysis anticipates costs, including property, plant, and equipment and general and administrative overhead, of approximately \$190,000. The housing set-aside will leave a cost differential of approximately \$150,000, which Marriott-Slaterville City will cover. Marriott-Slaterville City anticipates waiving fees for the Project Area, as the City's contribution. Marriott-Slaterville is one of only two cities in Weber County that does not impose a property tax.

The District's current property tax revenue from the Project Area is approximately \$3,900 per year. New property tax revenue to the District over the ten year period during which Tax Increment funds will be contributed to the CRA is estimated to be \$5,300 per year. It is estimated that the District's annual property tax revenue from the Project Area will be approximately \$9,300 by the end of the ten year period.

Trustee Hyer asked how many septic systems would be eliminated in this area with the installation of new sewer lines. Mr. Larsen responded that approximately ten residential septic systems are located in the Project Area. Marriott-Slaterville is considering a way to help facilitate the connection of the residents in that Project Area, to help them pay to connect to the new sewer system.

Trustee Hyer asked District staff if there would be any issues or complications in approving Tax Increment funding for a municipality that doesn't assess property taxes. Mr. Anderson responded that he wasn't aware of a legal impediment. Mr. Larsen added that the Utah Code doesn't anticipate or address this situation, but Marriott-Slaterville wants to contribute in ways that will match other cities' property tax contributions.

Mr. Larsen reviewed the TIF guiding principles, including a participation limitation of 50% for a maximum of 12 years. The CRA is only asking for a 10-year commitment. Another TIF consideration is that the Tax Increment must be triggered within two years from the time an Interlocal Agreement is approved. Marriott-Slaterville requested that the District extend that time period by a year, to December 31, 2026. Mr. Larsen stated that the Project Area is well-defined, and he does not anticipate that the relatively small amount of the District's property tax revenue that will go to the CRA would cause the District to increase its property tax rate above the rates outlined in the TIF guiding principles document.

Trustee Call mentioned that the Interlocal Agreement in the Board packet, on page 3, paragraph 6, titled "Termination", identifies December 31, 2025 as the termination date "if the Tax Increment Collection Period has not been triggered prior to that date". Mr. Larsen confirmed that the date should be changed to December 31, 2026.

In response to a question from Trustee Froerer, Mr. Larsen confirmed that the property tax cap applicable to the District's contribution to the CRA (\$54,000) will not change as a result of the extension of the potential termination date.

Mr. Hall noted that Mark Anderson reviewed the Agreement and provided input and suggested language that had been included in the Interlocal Agreement, and that the Resolution was ready to be considered by the Board. A substitute page will be placed in the Interlocal Agreement to reflect the change in the potential termination date from December 31, 2025 to December 31, 2026.

Trustee Call commented that the Board's approval of the TIF guiding principles was a "smart move" that makes it easier for the Board to consider Community Reinvestment Agency project areas and Tax Increment funding requests.

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

That Resolution 2023-18, approving an Interlocal Cooperation Agreement with the Community Reinvestment Agency of Marriott-Slaterville City, be approved and adopted, with a change in the potential termination date from December 31, 2025 to December 31, 2026.

The motion carried, using a roll call vote, by the affirmative vote of Trustees Allen, Blair, Blazzard, Call, Fowers, Hyer, Froerer, Mitchell, Porter, Tait, VanLeeuwen, 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 thanked the members of the Long-Range Planning Committee for their recent efforts on behalf of the District.

Mr. Hall updated the Board on the status of the approved bond issuance. Following a public hearing in June, the Board approved a \$35,000,000 par-amount bond to fund a portion of the Phase 2 Expansion and UV (ultraviolet light) Disinfection Project. The 2021 Bond funds have been fully expended at this point, so the timing of the Series 2023 Bonds will be perfect to allow the District to use the new bond funds for the Project.

Ms. Cook explained that District staff issued a Request for Proposals for direct placement pursuant to which the bonds would have been sold directly to banks. Based on the interest rates proposed by the banks, District staff decided to instead pursue an open-market transaction for the sale of the bonds. As a result, \$35,000,000 in bonds will be sold on the open market at an effective 3.95% interest rate, which is significantly better than the rates proposed by the banks. Based on the advice of the District's Financial Advisor, the District considered the low supply of

tax-exempt bonds in the market during this time of year and acted based on current market conditions. District staff anticipates closing on the bond sale before the end of September. The District's staff members expressed their appreciation to the Trustees for their support of the bond issuance to partially fund the cost of the Phase 2 Expansion and UV Disinfection Project.

Attorney

Mr. Anderson had no additional business to present.

Other Business

None.

Adjournment

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

That the Board meeting be adjourned.

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

Chairman Allen declared the meeting to be adjourned at 5:42 p.m.

Approved by the Board of Trustees of the Central Weber Sewer Improvement District on the 16th day of October, 2023.

Mark C. Allen, Chairman

ATTEST:

Camille Cook, Clerk