

MINUTES OF THE MEETING OF THE TRUSTEES OF
THE CENTRAL WEBER SEWER IMPROVEMENT DISTRICT (CWSID)
HELD MONDAY, MAY 20, 2024, AT 5:00 PM, AT THE DISTRICT OFFICE
LOCATED AT 2618 WEST PIONEER ROAD, MARRIOTT-SLATERVILLE, UTAH.

Trustees Present: Mark Allen, Neal Berube, Sheri Bingham, Bart Blair, Leonard Call, Gage Froerer, Rich Hyer, Braden Mitchell, Ben Nadolski, Russ Porter, Michelle Tait, Rob Vanderwood, and Rod Westbroek.

Trustees Excused: Bob Blind and Scott Van Leeuwen.

Others Present: Kevin Hall, Camille Cook, James Dixon, Paige Spencer, Clay Marriott, Jake Baer (Carollo Engineers), Martin Jensen (Wasatch Thunder Youth Athletics), and Adam White (Wasatch Thunder Youth Athletics).

Call to Order

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

The pledge of allegiance was led by Trustee Call.

The invocation was offered by Trustee Froerer.

Public Comment

There were no public comments.

Minutes of April 15, 2024 Board Meeting Approval

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

That the April 15, 2024 Board meeting minutes be approved as presented.

The motion carried by affirmative vote of Trustees Allen, Berube, Bingham, Blair, Call, Froerer, Hyer, 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 April 2024 Check Register, which is an itemized list of all payments made by the District during April, in the total amount of \$3,852,569.29.

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

That the April 2024 Check Register be ratified and approved as presented in the total amount of \$3,852,569.29.

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

Project Updates of Major Capital Projects

James Dixon reported to the Board that work by C&L Water Solutions on the Hooper Pipe Rehab Phase 2 Project has been completed. After C&L completes a few punch list items, the retainage will be released. The Project had approximately \$700,000 in credits.

The Phase 2 Expansion and UV (ultraviolet light) Disinfection Project, which is being undertaken by Gerber Construction, is expected to be substantially completed by the Spring of 2026, and continues to move forward.

Certification of Annexation/Withdrawal Petitions

There were no Petitions to be certified.

Consideration of Annexation Approvals

Mr. Hall presented the following annexation approval Resolutions for consideration by the Board:

Resolution 2024-07, Orlando Farms - a 17 acre residential development in West Haven; and Resolution 2024-08, Hyland Ranch and Aspire Pointe – a 23 acre residential and commercial development in West Haven.

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

That Resolution 2024-07 and Resolution 2024-08 be adopted, thereby approving the annexations.

The motion carried, by roll call vote, with Trustees Allen, Berube, Bingham, Blair, Call, Froerer, Hyer, Mitchell, Porter, Tait, Vanderwood, and Westbroek each voting in the affirmative.

Review and Consideration of the FY 2025 Tentative Budget

Trustee Nadolski entered the Board room.

Ms. Cook advised the Board that the preparation of the FY (fiscal year) 2025 Tentative Budget has been a collaborative effort, and expressed appreciation for the input and teamwork that went into the review of the budgetary needs and projections of the District.

Last month, District staff presented the payroll and benefits and capital projects portions of the Budget. As a review, the payroll and benefits portion of the FY 2025 Tentative Budget includes two additional full-time employees, to bring total full time employees to 36. Even with the addition of the new employees, CWSID operates a very efficient sewage treatment plant based on employees per million gallons of wastewater treated per day.

The capital projects portion of the Budget totals \$61,762,000, which includes a carryover of unspent funds that originally were budgeted in FY 2023 and 2024 for plant growth and expansion projects. The FY 2025 Tentative Budget includes \$31,207,000 in operating revenues. The Budget anticipates a 2% service fee increase and an 8% property tax increase based on the adopted 5-year financial plan approved by the Board in February of 2023. The Board approved a plan to consider property tax increases for three consecutive years, 2024 through 2026.

The District will receive the calculated property tax rate from Weber County in early June. At this time, it is projected that an 8% property tax increase, combined with new growth, would generate approximately \$13,310,000 in total property tax revenue for FY 2025.

The Budget also includes \$4,867,000 in non-operating revenues, which is significantly lower than FY 2024, which included the proceeds of a \$35,000,000 bond. The proposed operating budget totals \$10,691,000, which is an 18.71% increase over the FY 2024 Budget. General inflation has contributed to increases in the operating budget, especially for utilities and chemicals. The cost of natural gas has increased by 13.74% over the past year, and chlorine costs have increased almost 200% since the beginning of FY 2022. The chemical budgets are proposed to increase by approximately 38% over the FY 2024 Budget.

FY 2025 will be a year of transition for the District. Some system redundancies will be required as the District operates the old chlorine processes while also starting the new UV (ultraviolet light) disinfection process for testing and implementation purposes. Additional construction-related utilities and chemicals will be required. More electrical power and chlorine will be needed at this point in the project, and these increased costs will continue throughout FY 2025.

The cost of interest and principal bond payments will total \$13,738,000, and miscellaneous expenses of \$740,000 are also included in the Budget.

Ms. Cook summarized the timing of the Budget adoption and actions that will be required, stating that District staff recommends that the Board consider tentatively adopting the FY 2025 Tentative Budget during this meeting.

In June, more information will be presented on the intent to increase the property tax rate and the scheduling of a Truth-in-Taxation public hearing. Ms. Cook also recommended that a public hearing on the FY 2025 Budget be held in June, which will enable CWSID to use the FY 2025 Tentative Budget as an operational budget beginning July 1st as the District continues through the Truth-in-Taxation process. Ms. Cook recommended that the Board hold a Truth-in-Taxation public hearing to consider a property tax increase and consider adoption of the final FY 2025 Budget on August 19th.

Ms. Cook proposed that the Board consider a motion to tentatively adopt the District's Fiscal Year 2025 Tentative Budget and set a public hearing to consider approval of the FY 2025 Tentative Budget on June 10, 2024 at 6:00 p.m.

Trustee Hyer asked if the District is driven to go through the Truth-in-Taxation process for similar reasons as would apply to a municipality. Ms. Cook explained that, based on the property tax calculation, in order to receive more property tax revenue the Board would need to consider its intent to increase property taxes through a Truth-in-Taxation public hearing. Service fees are the only other source of funds available for the Board to increase revenues. Trustee Berube added that the Finance Committee recommended a property tax increase, instead of increasing service fees, to maintain fairness in the allocation of taxes and fees across rate payers and residents.

Trustee Nadolski asked about the history of tax increases by the District. Mr. Hall responded that, in conjunction with the 2012 Expansion Project, tax increases were imposed by the District, but the District has only had incremental tax increases since that time. Trustee Nadolski asked if

average household valuation data was available. Ms. Cook responded that the staff anticipates having that information available by the next Board meeting.

Trustee Bingham asked if residents who are not receiving sanitary sewer service would be subject to the proposed increased property tax rate. Mr. Hall responded that property owners who are not annexed into the District will not be affected by the increased property tax.

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

That the FY 2025 Tentative Budget be tentatively adopted.

The motion carried by the affirmative vote of Trustees Allen, Berube, Bingham, Blair, Call, Froerer, Hyer, Mitchell, Nadolski, Porter, Tait, Vanderwood, and Westbroek.

Set a Public Hearing to Consider Approval of the FY 2025 Tentative Budget (June 10, 2024 at 6pm)

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

That a public hearing be scheduled to be held on June 10, 2024 at 6:00 p.m. to consider approval of the FY 2025 Tentative Budget and proposed service fee increases.

The motion carried by the affirmative vote of Trustees Allen, Berube, Bingham, Blair, Call, Froerer, Hyer, Mitchell, Nadolski, Porter, Tait, Vanderwood, and Westbroek.

Ms. Cook reminded the Trustees that the regular Board meeting will start at 5:00 p.m., with the public hearing to start at 6:00 p.m.

Consideration of Real Property Proposals

Mr. Hall welcomed Martin Jensen and Adam White. Mr. Hall recommended that the Board go into a closed meeting to discuss a real property proposal before considering this agenda item.

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

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

That the Board go into a closed meeting to discuss real property proposals (the purchase and/or sale of real property).

The motion carried, by a roll call vote, with Trustees Allen, Berube, Bingham, Blair, Call, Froerer, Hyer, Mitchell, Nadolski, Porter, Tait, and Vanderwood each voting in the affirmative.

Chairman Allen asked members of the public to step out of the Board room and invited Martin Jensen and Adam White, with Wasatch Thunder Youth Athletics, and District staff members Kevin Hall, Camille Cook, Paige Spencer, and James Dixon, to remain in the closed meeting along with Trustees Allen, Berube, Bingham, Blair, Call, Froerer, Hyer, Mitchell, Nadolski, Porter, Tait, Vanderwood, and Westbroek.

Chairman Allen declared the Board meeting to be closed at 5:25 p.m.

Trustee Vanderwood left the meeting at 6:15 p.m.

Chairman Allen declared the meeting to again be open at 6:24 p.m., and the doors to the Board room were opened so members of the public could re-enter. No action was taken during the closed portion of the meeting, other than the approval of a motion to end the closed meeting and return to open session.

General Manager

Mr. Hall reminded the Trustees that the next Board meeting will be held June 10th, which a week earlier than normal, due to the Juneteenth holiday. Mr. Hall also reminded the Board that each Trustee had been given two forms that are to be signed each year, the ethical behavior pledge form and the conflict-of-interest disclosure form.

Attorney

Mr. Anderson was not present.

Other Business

None.

Adjournment

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

That the Board meeting be adjourned.

The motion carried by the affirmative vote of Trustees Allen, Berube, Bingham, Blair, Call, Froerer, Hyer, Mitchell, Nadolski, Porter, Tait, and Westbroek.

Chairman Allen declared the meeting to be adjourned at 6:26 p.m.

Approved by the Board of Trustees of the Central Weber Sewer Improvement District on the 10th day of June, 2024.

Mark C. Allen, Chairman

ATTEST:

Camille Cook, Clerk