

MINUTES OF THE MEETING OF THE TRUSTEES
OF THE CENTRAL WEBER SEWER IMPROVEMENT DISTRICT (CWSID)
HELD MONDAY, AUGUST 19, 2024 AT 5:30 PM, AT THE DISTRICT OFFICE
LOCATED AT 2618 WEST PIONEER ROAD, MARRIOTT-SLATERVILLE, UTAH.

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

Trustee Excused: Russ Porter

Others Present: Kevin Hall, Camille Cook, James Dixon, Mark Anderson, Clay Marriott, Paige Spencer, 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 Blair.

The invocation was offered by Trustee Hyer.

Public Comment

There were no public comments.

Minutes of July 15, 2024 Board Meeting Approval

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

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

The motion carried by the affirmative vote of Trustees Allen, Berube, Bingham, Blair, Blind, Call, Froerer, Hyer, Mitchell, Nadolski, Tait, VanLeeuwen, 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 July 2024 Check Register, which is an itemized list of all payments made by the District during July, in the total amount of \$4,272,624.92.

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

That the July 2024 Check Register be ratified and approved as presented in the total amount of \$4,272,624.92.

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

Project Updates of Major Capital Projects

James Dixon presented financial and construction updates on a number of capital projects, including the Phase 2 Expansion and UV (ultraviolet light) Disinfection Project. Gerber Construction has bigger equipment onsite this month to begin the plant bypass portion of the Project. District staff is happy with the progress on the Project, which is timely moving forward toward an estimated completion in the Spring of 2026.

Design work for the Weber River Crossing is about half done. The geotechnical engineering work has been completed, and the design should be completed by this coming winter. This Project is necessary because a pipe collapsed under the Weber River. District staff anticipates that construction will include an open trench to lay pipe across the river near the Weber River Pump Station.

The Drying Bed Asphalt Project is expected to begin next week.

Certification of Annexation/Withdrawal Petitions

Mr. Hall presented an Annexation Petition to be certified by the Board. The owners of nine existing homes, on approximately 22 acres in unincorporated Weber County, have petitioned for annexation of their land into the District. CWSID staff members have verified that the petitioners own the properties and that the Annexation Petition is in order.

Mr. Hall recommended that the Board certify the Annexation Petition.

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

That the Annexation Petition filed by nine existing homeowners, covering 22 acres of land in unincorporated Weber County, be certified.

The motion carried by the affirmative vote of Trustees Allen, Berube, Bingham, Blair, Blind, Call, Froerer, Hyer, Mitchell, Nadolski, Tait, VanLeeuwen, 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 special district Board member training is required to be completed each time a Trustee is appointed or reappointed to the Board. District staff will send the link to Board members to facilitate compliance with state law, and Mr. Hall requested that each Trustee provide the completed certificate to District staff. Mr. Anderson confirmed that, once State Auditor approved training has been completed by a Trustee, the certificate will be valid until the beginning of the Trustee's next four-year term.

Attorney

Mr. Anderson had nothing additional to report.

Other Business

None.

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, Berube, Bingham, Blair, Blind, Call, Froerer, Hyer, Mitchell, Nadolski, Tait, VanLeeuwen, Vanderwood, and Westbrook.

Chairman Allen declared the meeting to be adjourned at 5:41 p.m.

Approved by the Board of Trustees of the Central Weber Sewer Improvement District on the 16th day of September, 2024.

Mark C. Allen, Chairman

ATTEST:

Camille Cook, Clerk

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

Others Present: Kevin Hall, Camille Cook, James Dixon, Paige Spencer, Mark Anderson, Clay Marriott, Ryan Bench (Corollo Engineers), Jay Whimpey, Claude Collin, and Cindy Winham.

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

a. **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 Van Leeuwen 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, Berube, Bingham, Blair, Blind, Call, Froerer, Hyer, Mitchell, Nadolski, Tait, VanLeeuwen, Vanderwood, and Westbrook; and Chairman Allen declared the public hearing to be open.

b. **Review Proposed Property Tax Increase**

Trustee Porter arrived.

Camille Cook explained that the District has been preparing for 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 and need for the proposed property tax increase, but Ms. Cook provided a recap for the benefit of the public in attendance.

The District uses property tax revenue for the operation and maintenance of its sewage collection and treatment systems (collectively the "System"). The District treats wastewater from 16 municipal entities (and some unincorporated areas), which collectively produced an average of 37.9 million gallons of wastewater per day (37.9 MGD) in 2023.

The District staff works hard to operate the System efficiently and in a cost effective manner, but must respond to increasing expenses due to inflation in operating costs, especially utilities and chemicals. The cost of natural gas and electricity continued to rise over the past year, and chlorine

costs have increased by nearly 200% since the beginning of fiscal year (“FY”) 2022, along with other cost increases for chemicals used during the wastewater treatment process.

The payroll and benefits portions of the FY 2025 Budget include two additional full time employees, to bring total full time employees to 36. Even after adding the new employees, the District will operate the most efficient sewage treatment plant in the region, based on employees per million gallons of wastewater treated per day, by a significant margin. In addition to routine expenses, the District has undertaken large, essential maintenance and construction projects.

The three principal sources of income for the District are treatment fees paid by District customers, impact fees paid in connection with new construction within the District, and property taxes. Treatment fees and impact fees are pledged as revenues for the repayment of bonds. Property taxes are not pledged to repay bonds; but the Bond Indentures require the District to use property taxes to pay operation and maintenance expenses of the System. The District Board of Trustees approved a 5-year financial plan last year that includes the consideration of property tax increases to cover increases in operation and maintenance costs.

Based on the approved 5-year plan and the budgeted need to receive \$13,310,000 in property tax revenue in FY 2025, an 8.86% District-wide property tax increase, to a property tax rate of 0.000550, will be required. That increase would provide an additional \$1,531,000 in property tax revenue for the District. That revenue is necessary to balance the FY 2025 Budget, which runs from July 1, 2024 through June 30, 2025. The District has been operating under the tentatively adopted FY 2025 Tentative Budget since July 1.

The average value of a residence in the District is \$520,000. The District includes a large portion of Weber County and a relatively small part of Davis County. With the proposed increase, the property tax paid on an average residence in the District would increase by \$12.87 per year. The property tax on a business having the same value would increase by \$23.40 per year.

Both Weber and Davis Counties have tax relief programs for taxpayers who are concerned about their ability to pay property taxes. They are encouraged to look into the qualifications for and benefits of those programs.

Ms. Cook recommended that the Board receive public input on the proposed 2024 property tax rate increase and consider adopting Resolution 2024-13 to approve a property tax rate of 0.000550.

Chairman Allen asked the Trustees if they had any comments or questions. Trustee Berube asked if the increased impact fees that are being collected have been exceeding the budgeted amount, and if that could affect the proposed property tax increase. Ms. Cook noted that increased impact fee assessments were effective on July 1, 2024, and impact fee collections are tracking as expected so far this fiscal year. Impact fee revenue will continue to be monitored throughout the fiscal year.

c. Public Comment

Chairman Allen called for public comments.

Resident Jay Whimpey noted that the District has been flaring digester gas. He suggested that the District consider an analysis of using digester gas to co-generate (produce energy and

useable heat) and use it to fuel onsite generators and in other buildings. He considered it to be a waste to effectively throw digester gas away. Mr. Wimpey stated that the District appears to be adding arguably unnecessary levels of management. He suggested that the District is having a problem with employee retention, and the work environment is not friendly or helpful. He opined that first level supervisors would be more helpful as coaches, instead of policemen.

Resident Cindy Whinham stated that people are financially strapped, and most have seen their electric bills double this past month. Ms. Whinham mentioned that property taxes increased by 15% last year, even though people stood and commented that they were against it at the last truth in taxation public hearing. There are people who cannot afford groceries or tax increases. Ms. Whinham asked if this area has an inland port, and expressed her opinion that inland ports are a travesty. In her view, they are all about money and government control. She mentioned a "sovereignty bill" that recently passed, and told the Trustees that they were opening the area up to government control. The Trustees clarified that this public hearing only applies to the Central Weber Sewer Improvement District property tax rate, which didn't increase last year. Ms. Whinham stated that she thought the sewer and water boards were one and the same.

Claude Collin acknowledged it to be his first time coming to a meeting like this. He has been a homeowner in North Ogden for two years, and has noticed that everything is increasing in cost. His assessed property value decreased but, with the proposed property tax rate increase, the sewer portion of his property tax assessment will increase over what it was last year. Even though \$12 per month isn't much, Mr. Collin asked if it would be possible for the Board to approve a lower increase? Mr. Collin stated that he will do his best to be more aware and spread the word to young people about public hearings such as the one held tonight.

Ms. Cook notified the Board that a Ms. Meyerhoffer called the District office and requested that her comment be relayed to the Board: it is hard for a senior citizen on a fixed income to cover these cost increases.

d. Motion to Close Public Hearing and Reconvene the General Session

There being no further public comments, it was moved by Trustee Call and seconded by Trustee Porter 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, Berube, Bingham, Blair, Blind, Call, Froerer, Hyer, Mitchell, Nadolski, Porter, Tait, VanLeeuwen, Vanderwood, and Westbroek.

e. Consideration of Resolution 2024-13: Approving 2024 Tax Rate

Trustee Porter mentioned that the Trustees hear similar comments in other truth in taxation public hearings. He reminded the public in attendance that, as residents of the District, all of the Trustees pay the same property tax increases as other citizens. Trustee Porter clarified that the District does not receive any property tax revenue from any of the other governmental entities that are also considering property tax rate increases.

Mr. Collin asked the Board for an affirmation that this property tax rate increase only applies to the Central Weber Sewer Improvement District. All of the Trustees acknowledged that to be the case.

Trustee Hyer mentioned that residents of the District should be aware of tax relief programs that are offered by Weber County. Trustee Froerer, who is an elected Weber County Commissioner, explained that tax relief programs were passed by the Utah Legislature. These programs apply to each of the property tax assessments by various taxing entities throughout the County. Trustee Froerer encouraged interested Weber County residents to visit the Weber County Clerk/Auditor's Office on the 3rd floor of the Weber Center to apply for the property tax reduction programs.

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

That Resolution 2024-13 be adopted, thereby approving the District's 2024 property tax rate of 0.000550.

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

Fiscal Year 2025 Budget

a. Motion to Open the Fiscal Year 2025 Budget Public Hearing

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

That the Fiscal Year 2025 Budget public hearing be opened.

The motion carried by the affirmative vote of Trustees Allen, Berube, Bingham, Blair, Blind, Call, Froerer, Hyer, Mitchell, Nadolski, Porter, Tait, VanLeeuwen, Vanderwood, and Westbroek; and Chairman Allen declared the public hearing to be open.

b. Review Fiscal Year 2025 Tentative Budget

Ms. Cook advised the Board and the public attendees that the FY 2025 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.

The overall expense budget increased by 18.71%. The FY 2025 Budget includes \$31,207,000 of operating revenues, and \$4,867,000 of non-operating revenues, which is a decrease from last year's budget due to a \$35 Million bond that was secured in FY 2024.

Impact fees are budgeted at \$4 million. The new impact fee assessment that was adopted by the Board earlier this year will be evaluated throughout the year. A 2% increase in service fees was approved by the Board in June.

The FY 2025 Budget also includes increases in various operations and maintenance line items. Chlorine costs have increased by almost 200% since June of 2021. In addition to increased costs, FY 2025 will be a year of transition for the District. There will be some system redundancies as the District continues to operate the old chlorine disinfection process during the transition to a new UV (ultraviolet light) disinfection process. CWSID staff anticipates that there could be up to 6 months when both processes are operated simultaneously, depending on

testing and calibration procedures. The Budget includes additional construction related utilities and chemicals. Additionally, Rocky Mountain Power has proposed rate increases of up to 30% over the next two years. District staff will watch the utility budgets throughout the year and will continue to report expenses to the Board at least quarterly.

The Capital Projects Budget totals \$61,762,000, which includes a carryover of funds that originally were budgeted for plant growth and expansion projects in FY 2023 and FY 2024. The Capital Budget projections have increased from projections presented last year. District staff plans to meet with the Finance Committee later this year to review upcoming expenses and future revenue needs. The cost of interest and principal on bonds that have been issued is projected to be \$13,738,000, and miscellaneous expenses totaling \$740,000 are also included in the FY 2025 Budget.

Ms. Cook recommended that the Board receive public input on the FY 2025 Budget and consider adopting Resolution 2024-14, thereby adopting the final FY 2025 Budget.

Trustee Hyer asked if converting the chlorine disinfection process to an ultraviolet light (UV) disinfection process will result in cost savings for the District. Kevin Hall responded that Rocky Mountain Power has stated an intent to increase electrical costs by 30% over the next two years. Due to increased utility costs, District staff expects disinfection costs to essentially break even, so no cost savings are expected to be realized due to the conversion to a UV disinfection process. Trustee Hyer mentioned that costs are increasing for the District and that the District can only treat so much wastewater flow with the previously budgeted revenue amounts. He mentioned that the Trustees understand where the public is coming from and that, by approving Budget increases, the Trustees are also imposing fee and tax increases on themselves. Trustee Hyer explained that the District is always looking for improvements and ways to be more efficient, but the District has to continue to treat sewage, and the Budget reflects the cost of operating and maintaining the System. Trustee VanLeeuwen added that the community will benefit from the switch away from chlorine because the UV process is safer than the current chlorine disinfection process.

Trustee Blind explained that it is difficult to maintain the District's current Budget in light of cost increases and growth, which generates more wastewater. He agreed that the District is in the same situation as citizens, insofar as having a limited budget is concerned. Trustee Blind stated that, based on the reality of the costs the District incurs, he doesn't see a way we can cover costs and not increase property taxes. Trustee Blind commented that, until suppliers begin to lower their costs, the District is stuck. He explained to Mr. Collin that it would be possible for the Board to consider decreasing the District's property tax rate if inflation decreases enough.

Trustee Berube stated that the District is required by the EPA to meet certain standards and that not increasing the property tax rate could adversely impact the District's high bond rating which, in turn, would increase the cost for the District to borrow money for capital facilities projects. He explained that the costs of construction required to comply with EPA regulations are astronomical, and continue to increase.

c. Public Comment

Chairman Allen called for public comments.

Mr. Whimpey commented that the CWSID property tax increase is only a portion of the expense increases he is facing. He mentioned that his property taxes increased by \$500 last year, and will increase by another \$500 this year. Ten percent increases are hard when you are retired and your income isn't increasing as much. Mr. Whimpey suggested that there may be ways to cut costs, and that an outside set of eyes could help the District examine its expenses. Mr. Whimpey, who has an engineering degree, believes that he can see things at the District's sewage treatment plant that are broken. He suggested that the District go back to the drawing board and, in an effort to save money, look at things that have not been scrutinized.

d. Motion to Close Public Hearing & Reconvene the General Session

There being no further public comments, it was moved by Trustee Porter and seconded by Trustee Hyer 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, Berube, Bingham, Blair, Blind, Call, Froerer, Hyer, Mitchell, Nadolski, Porter, Tait, VanLeeuwen, Vanderwood, and Westbroek.

e. Consideration of Resolution 2024-14: Adopting the FY 2025 Budget

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

That Resolution 2024-14 be adopted, thereby approving the District's FY 2025 Budget as presented.

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

Trustee Hyer responded to Mr. Whimpey's earlier comment, and mentioned that Weber County Treasurer John Bond has identified that the property tax burden has shifted from commercial to residential taxpayers because the value of residential properties has increased while commercial valuations have decreased.

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, Blind, Call, Froerer, Hyer, Mitchell, Nadolski, Porter, Tait, VanLeeuwen, Vanderwood, and Westbroek.

Chairman Allen declared the meeting to be adjourned at 6:39 p.m.

Approved by the Board of Trustees of the Central Weber Sewer Improvement District on the 16th day of September, 2024.

Mark C. Allen, Chairman

ATTEST:

Camille Cook, Clerk