

MINUTES OF THE MEETING OF THE TRUSTEES
OF THE CENTRAL WEBER SEWER IMPROVEMENT DISTRICT (CWSID)
HELD MONDAY, JUNE 10, 2024 AT 5:00 PM, AT THE DISTRICT OFFICE
LOCATED AT 2618 WEST PIONEER ROAD, MARRIOTT-SLATERVILLE, UTAH.

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

Trustees Excused: Neal Berube and Rob Vanderwood.

Others Present: Kevin Hall, Camille Cook, James Dixon, Mark Anderson, Clay Marriott, Paige Spencer, and Ryan Bench (Carollo Engineers).

Call to Order

Chairman Allen having not yet arrived, Vice Chairman Hyer called the meeting to order at 5:00 p.m.

The pledge of allegiance was led by Trustee Westbrook.

The invocation was offered by Trustee Porter.

Public Comment

There were no public comments.

Minutes of May 20, 2024 Board Meeting Approval

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

That the May 20, 2024 Board meeting minutes be approved as presented.

The motion carried by the affirmative vote of Trustees Blind, Call, Hyer, Mitchell, Nadolski, Porter, Tait, VanLeeuwen, and Westbrook.

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 May 2024 Check Register, which is an itemized list of all payments made by the District during May, in the total amount of \$4,354,104.81.

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

That the May 2024 Check Register be ratified and approved as presented in the total amount of \$4,354,104.81.

The motion carried by the affirmative vote of Trustees Blind, Call, Hyer, Mitchell, Nadolski, Porter, Tait, VanLeeuwen, and Westbrook.

Trustee Blair entered the Board room.

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. A credit of approximately \$740,000 resulted in the Project being completed under budget.

The Phase 2 Expansion and UV (ultraviolet light) Disinfection Project, which is being undertaken by Gerber Construction, is expected to be substantially complete by the Spring of 2026, and continues to move forward. This Project is now approximately 50.82% complete.

Clay Marriott advised the Trustees that the Hooper Pipe Rehab Phase 2 included lining more than 10,000 feet of sewer pipe, along with asphalt repair and field restoration after the pipe lining was completed. The property owner was happy with the coordination and the completed work.

Mr. Marriott reviewed progress on the Phase 2 Expansion Project, including the bioreactors and laying block for the RAS/WAS building. Clarifier 5 has passed the water leak test and the final form work for Clarifier 6 is being completed this week. The UV disinfection portion of the Project is also moving forward.

Trustees Bingham and Froerer entered the Board room.

Certification of Annexation/Withdrawal Petitions

There were no Petitions to be certified.

Consideration of Property and Liability Insurance Renewal

Ms. Cook advised the Trustees that the Utah Local Governments Trust (ULGT) has provided liability and property insurance rates for the District's FY 2024-2025 Tentative Budget. The new coverage will begin on July 1, 2024 and end on June 30, 2025. ULGT has insured the District for the past four years.

The automobile policy does not include any premium increases. The general liability policy has a 3% premium decrease compared to last year. There will be a 4% increase in the property insurance premium in FY 2025. The average generalized market premium increase across the insurance pool was 8%, based on current market conditions and property value trends in Utah. The premium costs to renew the District's insurance are: Automobile \$8,718, General Liability \$49,945, and Property \$266,714, for a total premium of \$325,377. The FY 2025 Tentative Budget includes \$360,000 for insurance.

After reviewing the insurance coverage proposal, Ms. Cook recommended that the Board approve the renewal of the District's property, automobile, and liability insurance coverage. It was then moved by Trustee Nadolski and seconded by Trustee Mitchell as follows:

That the Utah Local Governments Trust automobile, property, and liability insurance premium renewal quotes, totaling \$325,377, be approved as presented.

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

Consideration of the FY 2024 Fraud Risk Assessment

Ms. Cook presented the FY 2024 Fraud Risk Assessment and explained that the purpose of the annual assessment is to improve internal controls and incorporate the five principles of effective internal control framework into the organization. The District's FY 2024 score is 375 out of a possible 395, which puts the District at the "very low" risk level. Ms. Cook anticipates that the score will stay constant in future years. She thanked the Trustees for their support and for adopting policies and procedures that implement internal controls; and recommended that the Board approve the FY 2024 Fraud Risk Assessment.

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

That the District's Fiscal Year 2024 Fraud Risk Assessment be approved as presented.

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

Chairman Allen entered the Board room.

Consideration of Real Property Proposals:

Mr. Hall recommended that the Board go into a closed session 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 Westbroek and seconded by Trustee Blind as follows:

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

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

Members of the public and James Dixon were asked to step out of the Board room. District staff members Kevin Hall, Camille Cook, Mark Anderson and Paige Spencer remained in the closed meeting, along with Trustees Allen, Bingham, Blair, Blind, Call, Froerer, Hyer, Mitchell, Nadolski, Porter, Tait, VanLeeuwen, and Westbroek.

The meeting was declared to be closed at 5:17 p.m.

Due to a time conflict, Trustee Nadolski left the meeting at 5:45 p.m.

Chairman Allen declared the meeting to again be open at 5:54 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.

It not yet being 6:00 p.m., the time advertised for the budget and fee increase public hearing to commence, Chairman Allen decreed that later agenda items would be taken out of order.

Attorney

Mark Anderson presented information regarding a legislative study that could result in legislation that would, if it becomes law, eliminate or limit property taxing authority for water and wastewater services.

General Manager

Mr. Hall had nothing to add.

Other Business

Trustee VanLeeuwen requested an update on the Weber Basin Water Conservancy District Reuse Project. Trustee Froerer responded that Weber Basin is currently working on a land purchase that would benefit the Project.

FY 2025 Budget and Service Fee and Septic Hauler Rate Increases:

At 6:01 p.m., it was moved by Trustee Call and seconded by Trustee Mitchell as follows:

That a public hearing to discuss the FY 2025 Tentative Budget and proposed service fee and septic hauler rate increases be opened.

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

FY 2025 Budget: Ms. Cook presented the FY (fiscal year) 2025 Tentative Budget for the Board's consideration. The FY 2024-2025 Tentative Budget includes two additional full-time employees, bringing the total number of full-time District employees to 36. Employee retention continues to be a major focus for the District.

Various operation and maintenance budget line items have increased over the years due to increasing costs. In addition to increasing costs, FY 2025 will be a year of transition for the District. System redundancies will be required as the District runs the old chlorine processes while also starting the new UV (ultraviolet light) disinfection process for testing and implementation purposes. It is anticipated that both systems could be operated, depending on calibration process, for up to 6 months. Additional utilities and chemicals that are construction related are included in the FY 2025 Tentative Budget, and the District is using more power and chlorine and is changing the filters more frequently. Overall, the expense side of the Budget will increase by 18.71%.

Impact fees are budgeted at \$4,000,000. The new impact fee assessment that was adopted by the Board earlier this year will be evaluated throughout the year.

Service Fee and Septic Hauler Rates: Ms. Cook advised the Trustees that an increase in service fees is the only way the District can capture "new growth" and receive sufficient revenue for the services that are provided. A 2% overall increase was proposed to be allocated to the District's wholesale customers based on the formula outlined in the contracts between the District and each of the wholesale customers (municipalities, a special district, and a special service district). The increase will be assessed to each of the District's wholesale customers, and they can then determine whether the increase will be passed on to their retail customers.

Property Tax Increase: Ms. Cook advised the Board that a 0.000550 property tax rate will be needed to generate \$13,310,000 in property tax revenue, as budgeted. The average value of a residence in the District is still being calculated at this time, and that information will be presented during a future Board meeting. District staff recommended going through the statutory truth in taxation process to consider imposing a property tax rate that will exceed the certified rate.

Chairman Allen asked if any of the Trustees had comments or questions. Trustee Hyer inquired about the frequency of septic haulers' use of District facilities and the process for them to dispose of waste through the District's sewage treatment plant. Mr. Dixon explained the process to the Trustees.

Chairman Allen called for public comments and, there being none, it was moved by Trustee Hyer and seconded by Trustee VanLeeuwen as follows:

That the public hearing be closed and the general session resume.

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

Ms. Cook recommended that the Board consider Resolution 2024-09, approving and adopting the Fiscal Year 2024-2025 Tentative Budget, based on a proposed tax rate of 0.000550.

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

That Resolution 2024-09, Adopting the 2024-2025 Fiscal Year Tentative Budget and a Proposed Property Tax Rate of .000550, be approved and adopted.

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

Ms. Cook recommended that the Board consider approving Resolution 2024-10, approving service fee and septic hauler rate increases, with an effective date of July 1, 2024.

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

That Resolution 2024-10, Increasing Service Fees and Septic Hauler Rates, be approved and adopted as presented.

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

Ms. Cook recommended that the Board consider stating its intent to increase property taxes above the .000505 certified tax rate to the 0.000550 proposed property tax rate. This would provide property tax revenue of \$13,310,000 for the District. This statement of intent would allow District staff to move forward with the truth in taxation process and related activities.

Ms. Cook also recommended that the Board schedule a public hearing to consider the property tax increase on August 19, 2024 commencing at 6:00 p.m. at the District office. Additionally, she recommended that the Board schedule a public hearing to consider adopting the final FY 2024-2025 Budget on August 19, 2024 at 6:00 p.m., after the Board has considered the proposed property tax increase.

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

That the Board declare its intent to consider increasing property taxes as presented and that a public hearing be scheduled on August 19, 2024 at 6:00 p.m. at the District office to consider including a property tax increase in the District's FY 2024-2025 Budget and the imposition of a property tax rate that exceeds the certified rate; that a public hearing also be held on August 19, 2024 at 6:00 p.m. to consider the approval and adoption of the FY 2024-2025 Budget after considering the proposed property tax increase; and that District staff be authorized to advertise the public hearings as required by law.

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

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, Bingham, Blair, Blind, Call, Froerer, Hyer, Mitchell, Porter, Tait, VanLeeuwen and Westbroek.

Chairman Allen declared the meeting to be adjourned at 6:13 p.m.

Approved by the Board of Trustees of the Central Weber Sewer Improvement District on the 15th day of July, 2024.

Mark C. Allen, Chairman

ATTEST:

Camille Cook, Clerk