

MINUTES OF THE MEETING OF THE TRUSTEES
OF THE CENTRAL WEBER SEWER IMPROVEMENT DISTRICT (CWSID)
HELD MONDAY, FEBRUARY 24, 2025, 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, Bob Blind, Braden Mitchell, Ben Nadolski, Russ Porter, Michelle Tait, Scott VanLeeuwen, Rob Vanderwood, and Rod Westbroek.

Trustees Excused: Leonard Call, Gage Froerer, and Rich Hyer.

Others Present: Kevin Hall, Camille Cook, James Dixon, Mark Anderson, Clay Marriott, Shawn Wilson, Paige Spencer, Ryan Bench (Carollo Engineers), Matt Dugdale (Stifel), and Brandon Cooper (Riverdale City).

Call to Order

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

The pledge of allegiance was led by Trustee Vanderwood.

The invocation was offered by Trustee Westbroek.

Public Comment

There were no public comments.

Minutes of January 27, 2025, Board Meeting Approval

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

That the January 27, 2025 Board meeting minutes be approved as presented.

The motion carried by the affirmative vote of Trustees Allen, Berube, Bingham, Blair, Blind, Mitchell, Porter, 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 January 2025 Check Register, which is an itemized list of all payments made by the District during January, in the total amount of \$3,591,230.50.

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

That the January 2025 Check Register be ratified and approved as presented in the total amount of \$3,591,230.50.

The motion carried by the affirmative vote of Trustees Allen, Berube, Bingham, Blair, Blind, Mitchell, Porter, Tait, VanLeeuwen, Vanderwood, and Westbrook.

Consideration of Purchases, Capital Projects, and Expenditures

Trustee Nadolski arrived.

James Dixon explained that the District owns four aeration basins that utilize air to mix and treat wastewater prior to returning it to the environment. At the bottom of each of these basins lies a series of pipes and diffusers that must be replaced regularly because they break down over time. The system is large, consisting of thousands of diffusers. The system installed in the District's aeration basins was manufactured by Sanitaire. Each year, at least one basin is taken down for cleaning and maintenance and every five years all of the diffusers in at least one basin will be replaced.

While some of the replacement parts can be purchased competitively, all replacement parts must be compatible with each other and with the existing system. The maintenance also involves proprietary components and replacement parts that must be sole sourced from the manufacturer.

After evaluating all parts due for replacement, District staff recommended that the Board approve an expense of up to \$110,000 to purchase replacement parts for to the aeration basins from Sanitaire.

In response to a question from Chairman Allen, Mr. Dixon confirmed that District employees will complete the installation "in-house". Trustee Blind asked how stable the sole source vendor is and if it would be beneficial for the District to purchase extra replacement parts. Mr. Dixon responded that Sanitaire is well established and has been around for many years. He advised the Trustees that the District's practice has been to keep a supply of extra parts on hand, but not enough to replace a complete basin. If Sanitaire went out of business, the District would have to purchase a large amount of replacement parts to maintain the compatibility of an entire basin, and the cost would be substantial, possibly exceeding \$1 Million.

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

That the aeration basin replacement parts be purchased from Sanitaire at a not to exceed cost of \$110,000.

The motion carried by the affirmative vote of Trustees Allen, Berube, Bingham, Blair, Blind, Mitchell, Nadolski, Porter, Tait, VanLeeuwen, Vanderwood, and Westbrook.

Project Updates of Major Capital Projects

Mr. Dixon reported that work on the Weber River Crossing Pipeline Project has begun. This is the first update for Ames Construction's work on the Project. Mr. Dixon reminded the Trustees that this Project is in response to a wastewater pipeline collapse under the Weber River. He noted that there may be small changes in the scope of the work within the approved budgeted amount, but District staff does not anticipate any major contract changes. Construction is estimated to be completed by the end of this coming Spring.

Mr. Dixon presented financial and construction updates on the Phase 2 Expansion and UV (ultraviolet light) Disinfection Project being undertaken by Gerber Construction. The work is approximately 73% complete, and is moving forward on schedule with an estimated completion date in the Spring of 2026. The work continues to progress, and the quality of Gerber Construction's work has been consistent throughout the Project.

Mr. Dixon advised the Trustees that work has also begun on the Dewatering HVAC Replacement Project. This Project was recently approved by the Board to address sewer gases and carbon monoxide inside the building. VanCon is in the process of ordering equipment needed for the Project. Payment requests are expected to be low over the next 14 to 16 weeks, as the contractor waits for the equipment to arrive.

Certification of Annexation/Withdrawal Petitions

There were no Petitions to be certified by the Board.

Consideration of Annexation Approvals

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

Resolution 2025-01 for Lync Construction, a 31-acre residential development in unincorporated Weber County, and Resolution 2025-02 for Brook View, a 40 acre residential development in unincorporated Weber County.

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

That Resolution 2025-01 and Resolution 2025-02 be adopted, thereby approving both annexations.

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

Review and Consideration of Resolution 2025-03

Mr. Hall reminded the Trustees that, during the January 2025 Board meeting, a petition for annexation was rescinded in favor of a boundary adjustment. Most of the commercial development has already been annexed into CWSID, but 2.3 acres currently is part of the North Davis Sewer District.

District staff has coordinated with the North Davis Sewer District. The North Davis Board of Trustees has adopted a resolution signifying an intent to adjust the common North Davis/Central Weber boundary. CWSID staff recommended that the Board consider approving Resolution 2025-03 to initiate the boundary adjustment process.

Trustee Porter asked if there was any reason why the Board should not approve the boundary adjustment request. Mr. Hall responded "no". Trustee Vanderwood asked if the service would be split between the districts. Mr. Hall explained that the developer requested that the entire

development be served by Central Weber, which is consistent with how the pipelines have been laid out, but a boundary adjustment is necessary to correct the border of the taxing districts to match the sewer pipe layout.

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

That Resolution 2025-03, declaring an intent to adjust the common boundary between the Central Weber Sewer Improvement District and the North Davis Sewer District, be approved and adopted as presented.

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

Finance Committee Report: Review and Consideration of 5-Year Financial Plan

Trustee Berube reminded the Trustees that, two years ago, the Board approved a five-year Financial Plan. Since the Plan was adopted, a few additional capital projects have come up, including the Weber River Crossing and the Dewatering Building HVAC Projects. He reminded the Trustees that the Board approved Master Plan includes cost estimates for future capital projects, and stated that, if the District knows that expenses are coming, the Trustees have an obligation to address funding to cover the expenses. He advised the other Trustees that, when looking beyond the five-year Financial Plan, it becomes harder for the District to maintain the approved debt coverage ratios of 1.5 and 1.0. Trustee Berube advised the Trustees that, if coverage ratios are not met, the District could be downgraded from its current AA bond rating. He reminded the Trustees that rating agencies don't consider impact fees in some of the debt coverage ratios, and the District needs to review property taxes and revenues from service fees to solve the financial obligations that are anticipated in FY 2030.

Matt Dugdale, from Stifel Public Finance, voiced support for the District staff and Board for looking into these financial matters. He reminded the Trustees that the District has been successful at bonding and planning for future financial obligations. He advised the Trustees that they should consider both cash on hand and borrowing to finance the approximately \$270 Million of capital projects that are expected over the next 10 years. Mr. Dugdale mentioned that other Utah wastewater treatment providers are also spending hundreds of millions of dollars to fund capital projects, and most are looking into incremental fee increases. Mr. Dugdale reviewed best practices with the Board, including the Government Finance Officers Association's recommendation that cash on hand reserves are essential as insurance and as a savings account. The American Water Works Association recommends 2 to 12 months of cash on hand. Mr. Dugdale also provided the Board with 3rd party credit assessor scorecard factors, including days of cash on hand as a percentage of the overall assessment used for credit ratings. Earthquake and geographical risks fuel the need for cash liquidity to mobilize in an emergency. Mr. Dugdale explained that the bond coverage ratio requires the District to generate \$1.50 in net revenues for every \$1.00 of debt payments.

Trustee Berube reminded the other Trustees that a mix of property taxes and service fees may be the best plan, as everyone utilizing the sewer system pays service fees while some users are exempted from paying property taxes.

Ms. Cook reviewed the details of the five-year Financial Plan with the Board. She reminded the Trustees that the 2026 Fiscal Year Budget, and moving forward with the Plan, are based on projections of future District expenses and the corresponding revenues needed to cover those expenses and maintain a solid financial future for the District.

Ms. Cook reminded the Trustees that, when it comes to collecting service fees, the District does not have a built-in method to collect the cost of serving new growth. The billing allocation is based on population numbers and assessed real property valuations of each wholesale customer, most of which are cities, to allocate the service fee revenue obligations of each entity, but there isn't a built-in additional revenue factor to accommodate new growth or inflationary increases. The allocations may change year-to-year, and the entities may pay different amounts, but the District will receive the same amount of revenue to provide sanitary sewer services to the respective growing communities, unless the Board approves a service fee increase to capture the new growth and keep up with inflation.

The Financial Plan includes an additional \$20 Million in bonds over the next five years. In response to the completed design of the 1900 West Pipeline Project and increased construction costs due to inflation, along with unplanned capital costs due to aging infrastructure and employee safety, District staff recommended bonding to cover capital costs and maintain the minimum cash balance that was previously approved by the Board. The bonds are projected to be issued during FY 2026 and, if approved by the Board, would be issued quickly. District staff plans to bring forward a bond parameters resolution for Board consideration in April or May and to issue the bonds this summer when the market conditions are expected to be most favorable.

Additional bonding of approximately \$90 Million may be needed around 2030 as the Phase 3 Plant Expansion Project is started. Ms. Cook noted that District staff plans to meet with the Finance Committee annually after the financial audit has been completed to update the Financial Plan based on actual figures generated each year. This will allow the District to plan for the future while also monitoring actual revenues collected and realized expenses each year and to adjust the Plan as needed to be proactive and maintain a strong financial future for the District.

Trustee Berube stressed the importance of understanding the planned capital projects over the next 10-years and suggested that the Board consider incremental revenue increases over the next five years. He noted that it is harder to predict the future as the District projects its capital project needs over periods of time beyond five years. Trustee Mitchell asked if the Board would retain the ability to approve service fee increases each year. Ms. Cook responded in the affirmative. Trustee Mitchell also suggested that, once the District has reached a certain amount of days of cash on hand, the Board may consider lower service fee increases.

Trustee Berube reminded the other Trustees that the District utilizes all of the impact fees that are collected each year and no impact fees are included in the cash on hand figures.

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

That the District's 5-Year Financial Plan be adopted as presented.

The motion carried by the affirmative vote of Trustees Allen, Berube, Bingham, Blair, Blind, Mitchell, Nadolski, Porter, Tait, VanLeeuwen, Vanderwood, and Westbrook.

Review and Update of Riverdale West Bench Community Reinvestment Area

Brandon Cooper, representing Riverdale City, reminded the Trustees that Riverdale City presented information regarding the West Bench Redevelopment Area (RDA) during the September 2024 CWSID Board meeting. The District is currently participating in the RDA at 100% of the property tax increment for 17 years, with a total RDA project area budget of approximately \$9 Million. Mr. Cooper reminded the Board that the original proposal was to expand the RDA project area to include a northern project that would support America First Federal Credit Union. The previously proposed project area has a significant infrastructure deficit that has driven the need to expand the participation rate to 80% over 20 years. During that meeting, the Board approved Mr. Hall's appointment to represent the District on the Taxing Entity Committee (TEC) and to vote in favor of the proposed amendment to the project area and to the budget. Mr. Cooper expressed his appreciation for the Board's support.

It is now recommended that the process be amended to better support the existing RDA with an amended budget and to create a new Community Reinvestment Area (CRA) for the expanded project area. Mr. Cooper advised the Trustees that the RDA's updated request will be for the TEC to extend the timing of the existing West Bench RDA from 17 to 22 years and to amend the budget. The new CRA request will be for a 65% participation rate for 15 years. This request will be presented to the Board during a future Board meeting when the Trustees may consider a new or an updated Interlocal Agreement.

The Trustees did not have any additional questions for Mr. Cooper. Mr. Hall reminded the Trustees that he must also be designated by other taxing entities as their representative on the TEC.

Review of Municipal Wastewater Planning Program Annual Report:

Mr. Hall explained that the Utah Department of Water Quality (DWQ) manages a Municipal Wastewater Planning Program for all wastewater systems in Utah. Each facility is required to submit an annual report. Mr. Hall reviewed a summary of the District's 2024 report as follows:

1. Sewer revenues are maintained in a dedicated purpose enterprise/district account.
2. Sewer revenues consist of service fees, property taxes, and impact fees.
3. The District has sufficient qualified staff to maintain the wastewater collection and treatment system.
4. District staff members are certified at the appropriate level of Grade IV for both collections and treatment, and the District provides training to the staff to maintain their certifications.
5. Planned reserve funds and projected revenues are insufficient to meet the needs of the Capital Improvement Program, consequently, future bonding will be required. This is in response to a specific DWQ question.
6. The District maintains approximately 56 miles of large diameter (up to 60-inch) collection pipes and 8 lift stations. The oldest pipe was constructed in 1909.
7. No sanitary sewer overflows, bypasses, or permit violation events occurred in 2024.
8. Approximately 76,200 equivalent residential units (ERUs) were served, with an estimated population of 224,000.

9. Approximately 1,045 new residential connections and 115 new commercial or industrial connections were made in 2024.
10. 2024 average flow was 32.9 million gallons per day (MGD), with a Biochemical Oxygen Demand (BOD) load of 34,929 pounds per day and a total suspended solids (TSS) load of 43,400 pounds per day.

Mr. Hall noted that no action was needed, and asked if the Trustees had any questions. Trustee Porter asked where the pipe from 1909 is located. Mr. Hall explained that the pipe is located in Pioneer Road. The 1909 pipe was originally an outfall line for Ogden City. Once the Business Depot Ogden pipeline was completed, this older pipe was able to be inspected. The concrete is in great condition for the age of the pipe. Mr. Dixon noted that the pipe has a few small leaks, but it does not require any maintenance at this point.

Review and Consideration of the Little Mountain Service Area Contract

Mr. Hall noted that the District's contract with Little Mountain Service Area (LMSA) will expire in April. He reminded the Trustees that representatives from LMSA attended the January CWSID Board meeting. District staff members have worked with LMSA to revise the contract for services provided by CWSID. Mr. Hall reviewed the background of the contract between LMSA and the District, which has been in place since at least 2004, pursuant to which the District operates and maintains LMSA's wastewater system.

LMSA has its own discharge permit, but the LMSA system has been under utilized and there has not been a historical need for LMSA to discharge wastewater other than to LMSA's evaporation lagoons. LMSA is in a transition period and there is a potential for future wastewater discharges to the lagoons that would significantly increase the demands and responsibility required to operate the LMSA system.

Central Weber does not currently have sufficient resources to properly handle the increased service demands that LMSA may require. District staff members have recommended that LMSA transition to a self-operated system. The proposed contract revisions will allow CWSID to continue to support LMSA in its transition toward being more self-sufficient, while reducing the District's responsibilities. The proposed contract will specify that LMSA will be responsible for compliance with water quality and wastewater pretreatment regulations and standards.

Mr. Hall noted that the term for the new contract has been reduced to 24 months. The proposed contract includes reimbursements for labor at a burdened cost rate, actual cost reimbursement for equipment rental and any purchases made on LMSA's behalf, along with a 15% surcharge added to all costs to compensate CWSID for a proportionate share of its general overhead and administrative expenses.

The draft contract has been reviewed by Mark Anderson and by the LMSA Board. LMSA has passed a motion to approve the proposed contract with flexibility on terms if the CWSID Board proposes any modifications to the contract. Chairman Allen noted that the contract should be contingent on legal review of any changes proposed by the Board.

Trustee Vanderwood asked if District staff recommends approval of the contract. Mr. Hall responded "yes" because the District has provided these services to LMSA for more than 20 years

and not renewing the contract might place an undue hardship on LMSA. Mr. Hall stated that District staff recommended reducing the contract term to 24 months to encourage LMSA to become more self-reliant more quickly.

Trustee Berube asked if the contract will require LMSA to pay for any legal fees incurred by the District in relation to the contract. Mr. Anderson responded that the current contract does not specify that legal fees are to be reimbursed by LMSA, but that could be a condition of the Board's approval of the contract. Trustee Vanderwood commented that, based on LMSA's presentation in January, it was optional to have CWSID provide treatment for wastewater delivered by LMSA to the District's sewage treatment plant. Mr. Hall clarified that LMSA has referenced a future interlocal agreement pursuant to which CWSID will be the treatment provider, with LMSA being responsible to collect and transport the wastewater. However, the contract currently under discussion is limited to the operational support the District will provide to LMSA. Trustee Porter suggested that further consideration of the proposed contract with LMSA be tabled to a future meeting to allow for legal review.

Trustee Mitchell requested clarification on the increased demand for the District's services if LMSA starts discharging. Mr. Hall responded that CWSID staff currently is required to spend a few hours monitoring LMSA facilities each week. If LMSA begins to discharge, CWSID staff would need to monitor LMSA's facilities and take samples daily, which would significantly increase the demand on CWSID staff. Trustee Blind asked if the planned growth in the area would require LMSA to begin discharging and if LMSA would be able to handle the increased demand. Mr. Hall responded that LMSA believes that new connections may result in future discharges. District staff would provide support, when available, but increased growth would require LMSA to increase its own staffing levels.

Trustee Bingham left the Board room.

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

That the Little Mountain Service Area Contract be tabled for further consideration during the March 17, 2025 Board meeting.

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

Review Intent to Support Biosolids Disposal Solutions

Mr. Hall advised the Trustees that the District currently works with farmers to land apply approximately 3,000 metric tons of biosolids that are produced annually by the District's sewage treatment plant. Unfortunately, land application sites are expected to be less available in the future due to development pressure. District staff has discussed this issue with the Board in the past and has had more detailed discussions with the Long-Range Planning Committee in recent months.

The District participates in the Wasatch Front Water Quality Council, which is a consortium of wastewater treatment facilities along the Wasatch Front. The future biosolids disposal problem is common to almost every large sewage treatment facility along the Wasatch Front. Given that

this is a regional problem, the Wasatch Front Water Quality Council is pursuing potential regional collaborative solutions. One option under consideration is the development of State Trust Lands Administration (SITLA) land located in the west desert as a regional biosolids disposal site. If utilizing SITLA lands is pursued, it may involve lobbying efforts with the Utah Legislature. District staff plans to support this effort. Mr. Hall asked for input from the Trustees.

Trustee Blind asked if the group is also considering Department of Natural Resources properties. Mr. Hall responded that all options are being considered. SITLA lands were mentioned because they may require a lobbying effort at the state level. Trustee Nadolski asked if the lobbying effort would be the District's responsibility or if it would be a collaborative effort, whether anything has been scheduled as an interim study item for the Legislature, and whether this effort is completely separate from the Legislature. Mr. Hall responded that, if future lobbying is required, it will be a collaborative effort. Mr. Dixon added that the consortium is looking at statewide solutions as part of a 10-year plan.

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

There was no need to close the meeting.

General Manager

Mr. Hall explained that District staff occasionally needs to utilize multi-year lease agreements to replace phones or computer equipment. These leases are within the spending authorization limits of the General Manager and Finance Director. However, in the interest of being transparent, Mr. Hall notified the Trustees that District management plans to acquire computer equipment in the near future utilizing a multi-year lease agreement. He encouraged the Trustees to let District management staff know if they have any questions or concerns.

Mr. Hall thanked Trustee Berube for his support and that of the Finance Committee.

Attorney

Mr. Anderson commented that next week is the last week of the 2025 Legislative Session.

Other Business

None.

Adjournment

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

That the Board meeting be adjourned.

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

Chairman Allen declared the meeting to be adjourned at 6:12 p.m.

Approved by the Board of Trustees of the Central Weber Sewer Improvement District on the 17th day of March, 2025.

Mark C. Allen, Chairman

ATTEST:

Camille Cook, Clerk