

MINUTES OF THE MEETING OF THE TRUSTEES
OF THE CENTRAL WEBER SEWER IMPROVEMENT DISTRICT (CWSID)
HELD MONDAY, OCTOBER 21, 2024, AT THE DISTRICT OFFICE
LOCATED AT 2618 WEST PIONEER ROAD, MARRIOTT-SLATERVILLE, UTAH.

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

Trustees Excused: Bart Blair, Leonard Call, Russ Porter, and Rob Vanderwood.

Others Present: Kevin Hall, Camille Cook, James Dixon, Mark Anderson, Shawn Wilson, Clay Marriott, 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 Froerer.

The invocation was offered by Trustee Hyer.

Public Comment

There were no public comments.

Minutes of September 16, 2024 Board Meeting Approval

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

That the September 16, 2024 Board meeting minutes be approved as presented.

The motion carried by the affirmative vote of Trustees Allen, Berube, Bingham, Blind, Froerer, Hyer, Mitchell, Nadolski, 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 September 2024 Check Register, which is an itemized list of all payments made by the District during September, in the total amount of \$4,168,723.33.

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

That the September 2024 Check Register be ratified and approved as presented in the total amount of \$4,168,723.33.

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

Consideration of Purchases, Capital Projects, and Expenditures

James Dixon presented the Managed Information Technology (IT) Services Contract for consideration by the Board. Mr. Dixon explained that the District utilizes a managed IT services contractor to maintain the District's administrative IT system.

A Request for Proposals (RFP) for IT Services was advertised and four proposals were received. The Proposals were evaluated, based on qualifications that were scored by a selection committee consisting of James Dixon, Camille Cook, and Trustee Leonard Call, and on annual cost.

The proposal receiving the highest score was submitted by Les Olsen IT. The Les Olsen IT proposal won on both cost and qualifications. The annual base cost of the contract is expected to be less than the General Manager's approval limit and will be within the current fiscal year Budget. However, the contract to be negotiated may include a 5 year term, which would require Board approval.

Mr. Dixon recommended approval of the award of a Managed IT Services Contract to Les Olsen IT, and that District staff be authorized to negotiate a multi-year Managed IT Services Contract in accordance with the District's Purchasing Policy.

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

That the Managed IT Services Contract be awarded to Les Olsen IT; and that District staff be authorized to negotiate a multi-year Managed IT Services Contract in accordance with the District's Purchasing Policy.

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

Project Updates of Major Capital Projects

Mr. Dixon presented financial and construction updates on the Phase 2 Expansion and UV (ultraviolet light) Disinfection Project being undertaken by Gerber Construction. The estimated completion date is on track for the Spring of 2026. The work is approximately 60% complete.

Mr. Dixon also informed the Board that the Drying Bed Rehabilitation Project has been moving forward, and should be completed by the end of October.

Certification of Annexation/Withdrawal Petitions

There were no Petitions to be certified.

Consideration of Annexation Approvals

Mr. Anderson arrived.

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

Resolution 2024-17, Longhorn Estates, a 65 acre residential development in unincorporated western Weber County;

Resolution 2024-18, Longhorn East, a 40 acre residential development in unincorporated western Weber County; and

Resolution 2024-19, West Creek, a 30 acre residential development in unincorporated western Weber County.

Mr. Hall advised the Trustees that all three annexations will utilize the Promontory Commerce PID (Public Infrastructure District) lift station or be connected to the associated sewer line. Mr. Hall reminded the Board that the District is a wholesale provider of wastewater treatment services, with cities, a special service district, an improvement district and Weber County providing retail sewage collection services.

Trustee Froerer, who serves on the Weber County Commission, advised the Board that Weber County is familiar with the areas that are included in the annexation Resolutions. He mentioned that Weber County is currently requesting proposals from Little Mountain Service Area (LMSA) or another qualified third party retail service provider to take over retail sewer collection services in unincorporated areas in western Weber County. Trustee Froerer stated that Weber County's intent is not to provide sewer collection services in this area but, should Central Weber annex these three properties into the District, it could create a liability for Weber County regarding providing sewage collection services to the properties. Trustee Froerer recommended that the annexation approvals be tabled so LMSA representatives can attend the November Board meeting to present a long-term wastewater collection plan to the Trustees.

Mr. Anderson advised the Board that CWSID is not obligated to serve the areas, noting that the District's will-serve letters state that the Board is not committed to annex any of the areas, and the Board can reject an annexation request if it is not feasible for CWSID to serve the area. Mr. Anderson advised the Trustees that it may be premature to act on an annexation if there are unanswered questions regarding what entity will provide retail collection services to the proposed annexation area. Without a reliable provider of collection services, CWSID may not be able to provide wastewater treatment and disposal services.

In response to a question from Chairman Allen, Trustee Froerer confirmed that the three annexation petition properties are not within LMSA's boundaries.

Mr. Hall mentioned that LMSA is currently adapting to rapidly changing conditions in its service area. The LMSA Board of Trustees is considering converting LMSA to a collection-only service provider that will no longer provide wholesale sewage treatment services. The properties being considered for annexation cannot be annexed into two districts that provide the same service, but wholesale sewage treatment and retail sewage collection are two separate, distinct services. LMSA is aware of this situation, and would like to make a presentation to the Central Weber Board. Currently, Central Weber personnel operate LMSA's facilities pursuant to a formal contract between Central Weber and LMSA

Mr. Anderson advised the Board that, after listening to the discussion and reviewing the law, it might be advisable for the Board to get answers to the outstanding questions before acting on the annexations. Mr. Anderson expanded on Mr. Hall's comment that, if LMSA changes to a collection-only service area, the three properties being discussed could receive sewage treatment services from CWSID and sewage collection services from LMSA. Mr. Anderson suggested that it could be helpful for the Trustees to have a better idea of LMSA's future plans.

Trustee Froerer stated that LMSA plans to be ready to present information to the Central Weber Board during its November meeting. Trustee Froerer explained that Weber County is not opposed

to these annexations, but wants to ensure that sewage collection services will be available before CWSID moves forward with the annexations.

Chairman Allen asked if the Board could table all three annexation approvals. Mr. Hall responded that the Board has time, and could table the discussion until the November meeting and take action at that time.

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

That Resolution 2024-17, Resolution 2024-18, and Resolution 2024-19 be tabled for further consideration during the November 21, 2024 Board meeting.

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

Review and Consideration of 2025 Board Meeting Schedule

Mr. Hall presented the proposed 2025 Board meeting schedule for consideration. The 3rd Monday of each month is the normal meeting day for the Board but, due to Martin Luther King Jr. Day in January and President's Day in February, the proposed Board meetings have been moved to the 4th Monday in those months. The June and July Board meetings will be moved to the 2nd Monday of the month due to the Juneteenth and Pioneer Day holidays. All meetings will commence at 5:00 p.m.

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

That the 2025 Board meeting schedule be approved as presented.

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

Review and Consideration of September Financial Statement

Ms. Cook presented the September Financial Statement and reported that the first quarter of the 2025 Fiscal Year is now complete.

Ms. Cook reviewed the financial reports and noted that the 2023 Bond has approximately \$8 Million remaining to be spent, as of the end of September.

The District is 25% through the current budget year. Operating revenues are only 15% because a significant portion of the District's annual income is tied to the timing of property tax receipts, most of which will come in during December. Payroll and benefits are at 22.7%, year-to-date. Utilities and services are at 16.7% of the budgeted amounts. The major cost items in this category are natural gas and electrical power, and those invoices are billed a month after the energy is used, so most line items in the utilities category only report two months of expenses.

The operations and maintenance budget is at 14% and pretreatment is currently at 23% of the annual budgeted amounts. Total operating expenses are at 22% of budgeted amounts, through the end of September.

At 44%, sewer impact fees are tracking above budgeted projections. Interest earnings continue to grow due to the rise in interest rates. Ms. Cook reminded the Trustees that these revenues are subject to market volatility and may not increase consistently in the future. The interest earnings currently are more than 100% of the budgeted amount for the entire fiscal year.

Ms. Cook reviewed the bond interest payments and the projected adjustments to capital assets. She noted that the independent auditors are working to complete their reviews and field work, and an Audit Committee meeting has been scheduled.

Ms. Cook reviewed the capital projects' budgets and reminded the Trustees that the Nutrient Removal Project is still the largest line item in the capital projects portion of the current fiscal year Budget.

Trustee Berube commented that the financial reports "look good".

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

That the September Financial Statement be approved as presented.

The motion carried by the affirmative vote of Trustees Allen, Berube, Bingham, Blind, Froerer, Hyer, Mitchell, Nadolski, 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 reminded each of the Trustees to submit the training certificates that they received upon completion of Board member training on the Utah State Auditor's website.

Attorney

Mr. Anderson invited the Trustees to attend the upcoming annual Utah Association of Special Districts (UASD) Convention in Layton, noting that attending the Wednesday afternoon session of the Convention will satisfy the statutorily required Board member training, for which certificates will be issued, and there will also be Convention speakers on Thursday, and a legislative update on Friday.

Other Business

None.

Adjournment

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

That the Board meeting be adjourned.

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

Chairman Allen declared the meeting to be adjourned at 5:30 p.m.

Approved by the Board of Trustees of the Central Weber Sewer Improvement District on the 21st day of November, 2024.

Mark C. Allen, Chairman

ATTEST:

Camille Cook, Clerk