

Roy Water Conservancy District

Minutes of Board Meeting

June 8, 2022

5:00 p.m.

The following are minutes of the Board of Trustees regularly scheduled board meeting that was held at Roy Water Conservancy District, located at 5440 Freeway Park Drive, Riverdale, UT 84405, on Wednesday, June 8, 2022, at 5:00 p.m.

Present: Mark Ohlin, Chair; Gary L. Newman, Vice-Chair; Chad Zito, Gary S. Adams, and Jon S. Ritchie, Trustees; Rodney Banks, Manager/Treasurer; Cami Moss, Child Richards CPAs and Advisors; Linda Toupin, District Clerk; and Courtney Harris, Records Clerk.

I. CALL TO ORDER. Chair Ohlin called the meeting to order at 5:00 p.m. and welcomed everyone present.

II. PLEDGE OF ALLEGIANCE. The Pledge of Allegiance was led by Mr. Adams.

III. APPROVAL OF MINUTES.

A. Approval of May 2022 Board Meeting Minutes. Mr. Zito made a motion to accept and approve the minutes of May 11, 2022, board meeting as written. Mr. Ritchie seconded the motion. The motion carried unanimously.

B. Approval of Public Hearing Minutes for Increasing Contract Water Assessments. Mr. Ritchie made a motion to accept and approve the public hearing minutes for Increasing Contract Water Assessments as written. Mr. Newman seconded the motion. The motion carried unanimously.

C. Approval of Public Hearing Minutes for the Allotment of Water. Mr. Newman made a motion to accept and approve the public hearing minutes for the Allotment of Water as written. Mr. Adams seconded the motion. The motion carried unanimously.

D. Approval of Public Hearing Minutes for Levying Contract Assessments. Mr. Adams made a motion to accept and approve the public hearing minutes for Levying Contract Assessments as written. Mr. Newman seconded the motion. The motion carried unanimously.

IV. BUSINESS.

A. Consideration of 2021 Audit Report by Child Richards CPAs and Advisors. Ms. Moss said District management is responsible for use of appropriate accounting principles and appeared to apply the principles correctly for the 2021 audit. Ms. Moss said there were no difficulties encountered during the audit. Ms. Moss complimented District staff and said they were wonderful to work with. Ms. Moss said there were no misstatements to report or disagreements with management.

Ms. Moss said in their opinion the financial statements present fairly in all material respects. Ms. Moss said the District was given an unqualified opinion, which is the best opinion they can give.

Ms. Moss presented the statement of net position and the statement of revenues, expenses, and changes in fund net position. Ms. Moss reported on state compliance requirements for 2021, which were budgetary compliance, Open & Public Meetings Act, and Fraud Risk Assessment. Ms. Moss said the District was in

compliance with all of the requirements. Ms. Moss reported on the internal controls of the District and said internal controls are being followed and documented.

Mr. Newman made a motion to accept the 2021 audit report by Child Richards CPAs and Advisors. Mr. Ritchie seconded the motion. The motion carried unanimously.

B. Consideration of Final Payment for 2600 and 2625 West 5800 South Main Line Replacement Project. Mr. Banks said E.H. Knudson was unable to obtain parts to install meters on the existing services, so services were reconnected without meters.

Mr. Zito made a motion to approve a final payment for the 2600 and 2625 West 5800 South Main Line Replacement Project to E.H. Knudson Construction in the amount of \$212,371.61. Mr. Ritchie seconded the motion. The motion carried unanimously.

C. Consideration of Final Payment for 1950 West 5100 South Main Line Replacement Project. Mr. Banks said E.H. Knudson was able to get parts for meters for this project, so this project was a completed as planned.

Mr. Newman made a motion to approve the final payment for 1950 West 5100 South Main Line Replacement Project in the amount of \$64,787.70 to E.H. Knudson Construction. Mr. Adams seconded the motion. The motion carried unanimously.

D. Consideration and Award of Meter Retrofit Project Materials for Board of Water Resources Grant. Mr. Banks said the District is trying to get ahead of the game by purchasing fittings for 5,000 meters in advance. Mr. Banks said the three suppliers that submitted bids were Ferguson, Core and Main, and Mountainland Supply. Mr. Banks said Ferguson had the low bid at \$2,296,984.02. Mr. Banks said maybe half of the parts will be delivered this year, with the other half coming in the first part of 2023. Mr. Banks said he is anticipating that 70% of this amount will be reimbursed by the grant from the Board of Water Resources and the remaining 30% will be paid from funds from a 1% Board of Water Resources loan. Mr. Banks said the amount out-of-pocket for the District will be \$103,364.28. Mr. Banks said meters may not be available until July 2023. Mr. Banks said there has been a discussion regarding secure storage of parts that may be addressed in the future.

Mr. Newman made a motion to award the Meter Retrofit Materials for Board of Water Resources Grant to Ferguson in the amount of \$2,296,984.02. Mr. Ritchie seconded the motion. The motion carried unanimously.

E. Consideration of Cedar Crest Brothers Agreement. Mr. Banks said it was recently discovered that the 4" meter measuring water to Cedar Crest Farms has been read incorrectly. Mr. Banks said it was thought that the number on the register was the actual amount of water going through the meter, but when an employee was converting the reading from cubic feet to gallons, it was discovered that the meter has a multiplier. Mr. Banks said he and Phil Durbano reached out to the Hansens to discuss the issue. Mr. Banks said the Hansens would like to amend their agreement so they can purchase up to 112.5 acre-feet instead of the 60 acre-feet in the current agreement.

Mr. Adams made a motion to approve the Third Amended and Restated Water Lease Agreement between the District and Cedar Crest Brothers, LLC. Mr. Newman seconded the motion. The motion carried unanimously.

F. Consideration of 2022 Certified Tax Rate. Mr. Banks said the ad valorem tax rate is based on the value of properties within District boundaries. Mr. Banks said the final rate will not be available until later in the month, but the expected rate is 0.000044 which will result in about \$139,000 in revenue for the District.

Mr. Ritchie made a motion to approve the 2022 Certified Tax Rate. Mr. Zito seconded the motion. The motion carried unanimously.

G. Consideration of Juneteenth Holiday. Mr. Banks said the legislature passed House Bill 238 in the 2022 legislative session designating Juneteenth as a state holiday. Mr. Banks said other local entities have adopted Juneteenth as a holiday.

Mr. Ritchie made a motion to approve Juneteenth as a District holiday. Mr. Adams seconded the motion. The motion carried unanimously.

H. Consideration of The Echelon Development Agreement. Mr. Banks said this development is located at 5902 South 1900 West. Mr. Banks said there are two existing parcels and homes, which will be demolished and replaced with a multi-use development. Mr. Banks said there is a lateral to each existing parcel, so the developer will be required to cap one of the services at the main and modify the other service and install a 1" meter.

Mr. Newman made a motion to approve The Echelon Development Agreement. Mr. Zito seconded the motion. The motion carried unanimously.

I. Public Comments. No members of the public were present.

V. REPORTS FROM MANAGER AND TRUSTEES.

A. Summer BBQ. It was decided to hold the District summer barbecue on June 24th.

B. Manager & Trustees Reports. Mr. Banks said the Board meetings scheduled in August and November were changed from the second Wednesday of the month to the third Wednesday due to conflicts with conferences. Mr. Banks said the conference dates have been changed, so the Board decided to change the August and November Board meetings back to the second Wednesday of the month.

Mr. Banks said East Canyon was 78% full, Echo was 86% full, and the Weber River Basin precipitation was 91% of normal. Mr. Banks said almost 100% of the state of Utah is in severe to exceptional drought condition.

Mr. Banks said the Cooperative Metering Purchase Agreement is going forward, and Mr. Banks and Chair Ohlin signed the agreement.

C. Review of Monthly Bank Statements and Cancelled Checks. Mr. Newman said the audit committee, consisting of himself, Mr. Banks, and Ms. Toupin, met June 7, 2022, and reported no problems or issues with the monthly bank statements, credit card statements, and cancelled checks.

VI. APPROVAL OF FINANCIAL REPORTS.

A. Monthly Financial Report. Mr. Zito made a motion to approve the monthly financial report. Mr. Adams seconded the motion. The motion carried unanimously.

VII. APPROVAL OF CHECKS.

A. Current Checks. Mr. Newman made a motion to approve the checks for June 8, 2022. Mr. Adams seconded the motion. The motion carried unanimously.

VIII. ADJOURNMENT. Mr. Adams made a motion to adjourn at 5:42 p.m. Mr. Newman seconded the motion. The motion carried unanimously.

Minutes Approved

Mark Ohlin, Chair

Recording Secretary