

Roy Water Conservancy District

Minutes of Board Meeting

January 10, 2024

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, January 10, 2024, at 5:00 p.m.

Present: Mark Ohlin, Chair; Jon S. Ritchie, Vice-Chair; Gary L. Newman, Chad Zito, and Gary S. Adams, Trustees; Rodney Banks, Manager/Treasurer; Brent Rose, Clyde Snow; Marcus Keller, Crews & Associates; 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 December 2023 Board Meeting Minutes. Mr. Newman made a motion to accept and approve the minutes of December 13, 2023, Board meeting as written. Mr. Adams seconded the motion. The motion carried unanimously.

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

C. Approval of Public Hearing for the Adoption of 2024 Budget Minutes. Mr. Adams made a motion to accept and approve the minutes of the Public Hearing for the Adoption of 2024 Budget as written. Mr. Ritchie seconded the motion. The motion carried unanimously.

IV. BUSINESS.

A. Public Comments. As no members of the public were present, Chair Ohlin closed the floor for public comments.

B. Oath of Office – Chad Zito. Mr. Chad Zito was sworn into office, according to law, by District Clerk Linda Toupin to serve a four (4) year term as Trustee on the Board of Roy Water Conservancy District. Mr. Zito's term commenced at noon on January 1, 2024, and will expire at noon on January 1, 2028.

C. Oath of Office – Gary S. Adams. Mr. Gary S. Adams was sworn into office, according to law, by District Clerk Linda Toupin to serve a four (4) year term as Trustee on the Board of Roy Water Conservancy District. Mr. Adams' term commenced at noon on January 1, 2024, and will expire at noon on January 1, 2028.

D. Consideration For Adoption Of A Resolution Of The Board Of Trustees Of Roy Water Conservancy District, Utah; Authorizing The Issuance And Sale Of Not More Than \$2,500,000 Aggregate Principal Amount Of Water Revenue Bonds, Series 2024; And Related Matters. Mr. Keller said the District has been approved through the Board of Water Resources to receive \$5,046,500 in the form of a grant and \$1,839,000 in the form of a loan. Mr. Keller said there is a required applicant contribution of \$324,500.

Mr. Keller said the parameters resolution would set the steps for bond financing. Mr. Keller said the amount of the resolution is up to \$2,500,000 rather than \$1,839,000 in order to give a buffer in case costs for the project are higher than anticipated. Mr. Keller said the plan is to only issue the \$1,839,000. Mr. Keller said the parameters would also allow another bond to be issued if the District was unable to pay the equity contribution, although Mr. Keller said he does not anticipate that happening. Mr. Keller said the parameters are set in such a way as to cover all bases so the steps do not have to be repeated. Mr. Keller said it is anticipated that the bond will mature in approximately sixteen years, although the parameters allow up to twenty years, and has a 1% interest rate.

Mr. Keller said the adoption of the parameters resolution means as long as the Board and Mr. Banks act within the parameters set, the closing of the bond can move forward. Mr. Keller said a public hearing will be held next month. Mr. Keller said the master resolution is an exhibit within the parameters resolution that can change up until the day of closing based on changes made by bond counsel. Mr. Keller said the plan is to close the bond in March, after the required 30-day contest period and public hearing. Attorney Rose had a concern about having the District Clerk as bond registrar. Mr. Keller said if a bond transfer happens in the future, a trustee could be hired at that time to take on the duties of the bond registrar.

Mr. Ritchie made a motion to approve the Resolution Authorizing The Issuance And Sale Of Not More Than \$2,500,000 Aggregate Principal Amount Of Water Revenue Bonds, Series 2024; And Related Matters. Mr. Adams seconded the motion. The motion carried unanimously.

Mr. Keller was excused from the meeting at 5:22 p.m.

E. Consideration of UDOT's 5600 South Supplemental Agreement 1. Mr. Banks said this agreement is supplemental to the master agreement of March 30, 2023. Mr. Banks said this agreement specifically addresses the work UDOT will be doing on the District's transmission lines underneath the freeway and Freeway Park Drive. Mr. Banks said the agreement says the District will not have to contribute financially to any expenses.

Mr. Zito made a motion to approve the UDOT 5600 South Supplement Agreement 1, and authorize the Chair to execute the agreement. Mr. Newman seconded the motion. The motion carried unanimously.

F. Consideration of IT Services Agreement. Mr. Banks said the District has been using Clearlink IT for about the past fifteen years for information technology services. Mr. Banks said the current five-year agreement is coming to an end, so the new agreement is structured as renewable year-to-year for a maximum of five years. Mr. Banks said the new agreement lowers the cost of the current service level and adds additional recommended services. Mr. Banks said additional services will give the District better security and will include an annual phishing campaign, implementation of LastPass password software, and quarterly firewall testing. Mr. Banks said the new cost would be \$2,050.00 per month.

Mr. Adams made a motion to approve the IT Services Agreement. Mr. Ritchie seconded the motion. The motion carried unanimously.

G. Consideration of Pump House Distribution Upgrade Services Agreement. Mr. Banks said SKM has been performing the District's SCADA and related electrical system maintenance in the pump house for about 22 years. Mr. Banks said the design and guidance for purchasing materials for the electrical distribution gear upgrade is included in the agreement. Mr. Banks said SKM will assist in acquiring bids for the material and construction services. Mr. Banks said the transformer may be reduced in size due to the fact the transformer was originally designed and sized to run 400 hp pumps, of which the District currently has none.

Mr. Zito made a motion to approve the Pump House Distribution Upgrade Services Agreement to SKM in the amount of \$35,000.00. Mr. Ritchie seconded the motion. The motion carried unanimously.

H. Consideration of Amended DWRe Contract for Transparent Water Billing Grant. Mr. Banks said the original agreement was signed with the Division of Water Resources in 2022 for a transparent water billing grant in the amount of \$75,000, with the District contributing and in-kind amount of \$13,500. Mr. Banks said he has been working with Weber Basin Water Conservancy District to develop a customer portal after AquaMedian went out of business. Mr. Banks said the District has received verbal approval from DWRe to use the remaining \$11,250 of grant money to pay Weber Basin to use their customer portal tool. Mr. Banks said the amended contract extends the term to December 2026, although Mr. Banks said if all goes well, the customer portal should be up and running by April 2024.

Mr. Adams made a motion to approve the Amended State of Utah Contract 230296 for a transparent water billing pilot project with the Division of Water Resources (DWRe). Mr. Newman seconded the motion. The motion carried unanimously.

Attorney Rose was excused from the meeting at 5:44 p.m.

I. Consideration of 2023 Audit. Mr. Ritchie made a motion to appoint Child Richards CPAs and Advisors to perform the District's 2023 Audit. Mr. Zito seconded the motion. The motion carried unanimously.

J. Consideration of Secondary Water Metering Project Phase 4 Change Order. Mr. Banks said Leon Poulsen Construction has agreed to a change order in the amount of \$199,000.00 to install an additional 246 meters at the same unit price.

Mr. Zito made a motion to approve a change order for the installation of additional meters in the District's Secondary Water Metering Project Phase 4 in the amount of \$199,000.00 to Leon Poulsen Construction. Mr. Newman seconded the motion. The motion carried unanimously.

K. Consideration of Progress Payment Secondary Water Metering Project Phase 4. Mr. Banks said Leon Poulsen Construction has installed 2,330 meters so far of the original 2,500 contracted.

Mr. Zito made a motion to approve a progress payment for the Secondary Water Metering Project Phase 4 in the amount of \$206,182.97 to Leon Poulsen Construction. Mr. Adams seconded the motion. The motion carried unanimously.

L. Consideration of Progress Payment Secondary Water Metering Project Phase 5. Mr. Banks said Post Construction has installed 700 meters so far in this phase.

Mr. Ritchie made a motion to approve a progress payment for the Secondary Water Metering Project Phase 5 in the amount of \$168,216.50 to Post Construction. Mr. Zito seconded the motion. The motion carried unanimously.

M. Consideration and Award of Secondary Water Metering Project Phase 7. Mr. Banks said Phase 7 was bid out for 1,500 meters to be installed. Mr. Banks said six contractors bid on the project. Mr. Banks said Paragon Construction Systems was the low bidder, and that they have a good reputation with neighboring entities. Mr. Banks said Paragon bid higher than some other contractors on one line item regarding raising laterals that are deeper than 24" to at least the optimum depth of 18", so Mr. Banks said the District will keep a close eye on depth of laterals.

Mr. Adams made a motion to award the Secondary Water Metering Project Phase 7 to Paragon Construction Systems in the amount of \$791,312.00. Mr. Newman seconded the motion. The motion carried unanimously.

N. Consideration and Award of Secondary Water Metering Project Phase 8. Mr. Banks said Phase 8 is 200 meters, which is smaller than previous phases, in order to give the District more options with smaller contractors. Mr. Banks said this contractor has set the standard for work as a subcontractor working with Leon Poulsen Construction in a previous phase.

Mr. Zito made a motion to award the Secondary Water Metering Project Phase 8 to AJC Construction and Excavation in the amount of \$149,940.00. Mr. Newman seconded the motion. The motion carried unanimously.

O. Consideration of Voting Wilson Irrigation Company Stock at Annual Wilson Irrigation Company Stockholders Meeting. Mr. Newman made a motion to appoint the Chair to vote the District's Wilson Irrigation Company stock at Wilson Irrigation Company's annual stockholders meeting and appoint the Vice-Chair as an alternate. Mr. Adams seconded the motion. The motion carried unanimously.

V. REPORTS FROM MANAGER AND TRUSTEES.

A. D&WCCC Stockholders Meeting – December 19, 2023. Mr. Banks said the meeting went well. Mr. Banks said D&WCCC will look at potentially raising stock assessments every other year.

B. Manager & Trustees Reports. Mr. Banks said there is a lawsuit with environmental groups wanting to force the State of Utah to maintain a minimum elevation on the Great Salt Lake. Mr. Banks said multiple entities, such as D&WCCC, Weber Basin Water Conservancy District, and Central Utah Water Conservancy District, were not named in the lawsuit but are filing an intervention because of interest in their water rights.

Mr. Banks said the 2023 trucks were sold. Mr. Banks said the sales representative for Young was able to find five trucks available for the District to purchase.

Mr. Banks said the District has spent about \$6.8 million so far of the secondary water metering grant money, bond and District contribution. Mr. Banks said 3,030 meters have been installed through December 2023.

Mr. Banks said as of January 9th, East Canyon was 88% full, Echo was 84% full, and the Weber River Basin water year-to-date snow-water equivalent was 84% of median. Mr. Banks said about 32% of the state is currently in abnormally dry to moderate drought condition.

C. Review of Monthly Bank Statements and Cancelled Checks. Mr. Ritchie said the audit committee, consisting of himself, Mr. Banks, and Ms. Toupin, met January 9, 2024, 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. Newman made a motion to approve the monthly financial report. Mr. Zito seconded the motion. The motion carried unanimously.

B. 4th Quarter 2023 Financial Report. Mr. Zito made a motion to approve the 4th quarter 2023 financial report. Mr. Newman seconded the motion. The motion carried unanimously.

VII. APPROVAL OF CHECKS.

A. Final 2023 Checks for Year-End Bills. Mr. Adams made a motion to approve the final 2023 checks for year-end bills. Mr. Newman seconded the motion. The motion carried unanimously.

B. Current Checks. Mr. Newman made a motion to approve the checks for January 10, 2024. Mr. Ritchie seconded the motion. The motion carried unanimously.

VIII. ADJOURNMENT. Mr. Newman made a motion to adjourn at 6:14 p.m. Mr. Zito seconded the motion. The motion carried unanimously.

Minutes Approved

Mark Ohlin, Chair

Recording Secretary