

Roy Water Conservancy District

Minutes of Board Meeting

April 17, 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, April 17, 2024, at 5:00 p.m.

Present: Mark Ohlin, Chair; Jon S. Ritchie, Vice-Chair; Gary L. Newman and Gary S. Adams, Trustees; Rodney Banks, Manager/Treasurer; Linda Toupin, District Clerk; and Courtney Harris, Records Clerk.

Excused: Chad Zito, Trustee

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 Chair Ohlin.

III. APPROVAL OF MINUTES. Mr. Ritchie made a motion to accept and approve the minutes of March 13, 2024, Board meeting as written. Mr. Newman 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. Consideration of 2024-2025 URS Contribution Rates for Tier 1 and Tier 2 Employees. Mr. Banks said the amount the District contributes to both Tier 1 and Tier 2 employees will decrease 1%. Mr. Banks said Tier 1 rates will be 16.97% for pension and 3.24% for 401k contribution by the District, for a total contribution of 20.21%. Mr. Banks said it is proposed to increase the General Manager's contribution to match the Tier 1 contribution more closely.

Mr. Banks said the Tier 2 rate for Defined Contribution remains at 10% with an additional 3.24% for a total contribution of 13.24%. Mr. Banks said the Tier 2 rate for Hybrid Pension will decrease 1% to 15.19%, but employees in this category will now be required to contribute 0.7% of their wages. Mr. Banks said the District contributes 3.24% for Tier 2 Hybrid Pension participants for a total contribution of 18.43%.

Mr. Ritchie made a motion to approve the 2024-2025 URS Contribution Rates for Tier 1 and Tier 2 employees and the General Manager be increased to a total contribution of 20.21%. Mr. Adams seconded the motion. The motion carried unanimously.

C. Consideration of 2024-2025 PEHP Insurance Rates. Mr. Banks said PEHP medical insurance rates increased 2.5%. Mr. Banks said PEHP dental insurance increased 1.6%, and Opticare rates will remain the same.

Mr. Adams made a motion to approve the 2024-2025 PEHP insurance rates. Mr. Ritchie seconded the motion. The motion carried unanimously.

D. Consideration of Proposed Assessment Rate Structure for 2024. Mr. Banks said he analyzed all three categories making up the assessment rate for each water allotment. Mr. Banks said the first category is water, which is what the District pays to D&WCCC and Wilson Irrigation Company for water shares and Weber Basin for the District's contract and petition with them. Mr. Banks said water costs increased by about 1%. Mr. Banks said the next category is operations and maintenance, which has not been changed for several years. Mr. Banks said there have been increases in operating costs over the years, so the assessment category was increased by about 1.5%. Mr. Banks said the third category is meter installation and replacement, as required by Utah Code, which increased by about 1%. Mr. Banks said there is an overall 3-3.5% increase in assessments. Mr. Banks said the Board can approve an increase of up to 10%, but his analysis shows a 3.5% increase will keep the District in a good financial position for continuing operations and making bond payments. The Board agreed a lower increase will be better for the District and its water users.

Mr. Banks said the earliest meters in the District were installed in 2013, and they have a warranty of 20 years. Mr. Banks said meter replacement will start in 2033 on the original meters, but the number of replacements needed will spike in about 20 years.

Mr. Banks said a public hearing for the proposed rate increase will be held on May 8, 2024.

Mr. Ritchie made a motion to approve the assessment rate increase as discussed for 2024 based on the proposed rate structure table. Mr. Adams seconded the motion. The motion carried unanimously.

E. Consideration of Progress Payment for Secondary Water Metering Project Phase 4. Mr. Banks said Leon Poulsen finished installation as of March 31st, but will still be completing punch list items. Mr. Banks said the next anticipated payment request will be for retainage and will be released once all work is complete.

Mr. Adams made a motion to approve a progress payment for the Secondary Water Metering Project Phase 4 in the amount of \$97,322.25 to Leon Poulsen Construction. Mr. Newman seconded the motion. The motion carried unanimously.

F. Consideration of Progress Payment for Secondary Water Metering Project Phase 5. Mr. Banks said Phase 5 and Phase 6 are being completed by Post Construction. Mr. Banks said they are probably a little over halfway done.

Mr. Newman made a motion to approve a progress payment for the Secondary Water Metering Project Phase 5 in the amount of \$11,732.50 to Post Construction. Mr. Adams seconded the motion. The motion carried unanimously.

G. Consideration of Progress Payment for Secondary Water Metering Project Phase 6. Mr. Ritchie made a motion to approve a progress payment for the Secondary Water Metering Project Phase 6 in the amount of \$207,964.50 to Post Construction. Mr. Adams seconded the motion. The motion carried unanimously.

H. Consideration of Progress Payment for Secondary Water Metering Project Phase 8. Mr. Banks said Phase 8 is being completed by AJC Construction. Mr. Banks said this contractor does excellent work and is close to finishing this phase.

Mr. Newman made a motion to approve a progress payment for the Secondary Water Metering Project Phase 8 in the amount of \$81,068.25 to AJC Construction and Excavation. Mr. Adams seconded the motion. The motion carried unanimously.

I. Consideration and Award of Secondary Water Metering Project Phase 9. Mr. Adams made a motion to award the Secondary Water Metering Project Phase 9 to AJC Construction and Excavation in the amount of \$158,560.00. Mr. Newman seconded the motion. The motion carried unanimously.

J. Consideration of Grant of Easement and Partial Release of Easements. Mr. Banks said the developer for Railrunner Phase 1 and 2 approached the District about releasing part of two different easements the District has on the property of the proposed development. Mr. Banks said one easement is on Hooper Water Improvement District's property just south of the proposed development. Mr. Banks said Hooper Water agreed to sell a portion of their 4-acre parcel to the Railrunner developers. Because part of the District easement is in the portion that was sold, Mr. Banks said the developer is asking for a release of the easement for the portion that is now on Railrunner property. Mr. Banks said the other easement is from 4000 South to the south end of the proposed development. The developer is asking for a release of the easement that is now on Railrunner property. In exchange for the release of portions of the two easements, Mr. Banks said the developer has given the District a blanket easement throughout the development to allow secondary water mainlines to be constructed in the asphalt road, which will complete the 10" mainline loop that has been in the District's Capital Facilities plan for 30 years. Mr. Banks said Attorney Rose reviewed the easement documents provided by the developer's attorney and suggested changes, which were agreed upon by all parties.

Mr. Newman made a motion to approve the Grant of Easement and Partial Release of Easements. Mr. Ritchie seconded the motion. The motion carried unanimously.

V. REPORTS FROM MANAGER AND TRUSTEES.

A. Utah Water Law and UWUA Workshop, March 18-20, 2024. Mr. Banks said the water law conference was informative. The Board agreed that the UWUA workshop had very good, pertinent sessions.

B. Underground Infrastructure Conference, March 19-21, 2024. Although Mr. Zito was unable to attend Board meeting, he asked Chair Ohlin to report it is imperative the District has trench protection in place when needed. Mr. Banks said the District rents trench protection equipment when necessary. Mr. Zito said it is also important to make sure the District employees follow all safety protocols for confined spaces.

Mr. Banks said District employees reported back on composite polymer manhole covers now available that are much lighter but still rated for traffic.

C. UGFOA Spring Conference, April 8-10, 2024. Mr. Banks said this conference was the best finance one he has attended so far and really enjoyed the classes.

D. Manager & Trustees Reports. Mr. Banks said he has been invited by Roy City to participate in the Utah Growing Water Smart workshop May 14-16 at Utah State University. Mr. Banks said it is an intensive collaboration between cities and water suppliers. Mr. Banks said each city participating will have its own team and he will be involved with both Roy City and West Haven City.

Mr. Banks said the new website is live, and the District is now fully in compliance with State code requiring a .gov designation.

Mr. Banks said the District has spent about \$9.7 million so far on the secondary water metering project. Mr. Banks said contractors have installed about 4,453 meters and jumpers through the end of March. Mr. Banks said the District is finally receiving more meters and radios.

Mr. Banks said the District has spent approximately \$28,000 from the 2024 bond.

Mr. Banks said the District leased 400 D&WCCC shares to Weber Basin Water Conservancy District.

Mr. Banks said the system started being filled on April 15th. Mr. Banks said Connex hit a 24" shotcoat mainline on 5200 South just west of 2700 West in addition to the 17 services and mainlines hit during their fiber installation over the winter. Mr. Banks said it will be up to Connex to pay for their damages. Mr. Banks said there are a number of meters and jumpers leaking due to the secondary water meter installation, and it is up to the contractors to make those repairs. Mr. Banks said the West Haven system would start filling on April 18th.

Mr. Banks said as of April 16th, East Canyon was 70 % full, Echo was 85% full, and the water year-to-date snow-water equivalent was at 132% of median.

E. Review of Monthly Bank Statements and Cancelled Checks. Mr. Ritchie said the audit committee, consisting of himself, Mr. Banks, and Ms. Toupin, met April 15, 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. Adams made a motion to approve the monthly financial report. Mr. Newman seconded the motion. The motion carried unanimously.

B. 1st Quarter Financial Report. Mr. Adams made a motion to approve the monthly financial report. Mr. Ritchie seconded the motion. The motion carried unanimously.

VII. APPROVAL OF EXPENSES. Mr. Ritchie made a motion to approve expenses for April 17, 2024. Mr. Adams seconded the motion. The motion carried unanimously.

VIII. ADJOURNMENT. Mr. Newman made a motion to adjourn at 5:45 p.m. Mr. Adams seconded the motion. The motion carried unanimously.

Minutes Approved

Mark Ohlin, Chair

Recording Secretary