

Roy Water Conservancy District

Minutes of Board Meeting

March 9, 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, March 9, 2022, at 5:00 p.m.

Present: Mark W. Ohlin, Chair; Gary L. Newman, Vice-Chair; Chad Zito and Jon S. Ritchie, Trustees; Rodney Banks, Manager/Treasurer; Linda Toupin, District Clerk; Courtney Harris, Records Clerk; and Paul and Jackie Wilson, 5998 South 4250 West, Roy.

I. CALL TO ORDER. Chair Ohlin called the meeting to order at 5:00 p.m. and welcomed everyone present. Chair Ohlin expressed his appreciation for the service of Darl R. Field, who passed away February 25, 2022, and served on the Board of Trustees for almost 33 years.

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

III. APPROVAL OF MINUTES. Mr. Zito made a motion to accept and approve the minutes of February 9, 2022, board meeting as written. Mr. Ritchie seconded the motion. The motion carried unanimously.

IV. BUSINESS.

A. Consideration of Leasing Davis & Weber Counties Canal Company Shares to Weber Basin Water Conservancy District. Mr. Banks said the District has leased some of its D&WCCC shares to Weber Basin from 2014 to 2020. Mr. Banks said no shares were leased in 2021 due to drought conditions. Mr. Banks said if the water situation does not improve again this year, he will not lease any shares; however, if water conditions improve, he would like the permission of the Board to negotiate a lease.

Mr. Newman made a motion to lease the District's Davis & Weber Counties Canal Company to Weber Basin Water Conservancy District in the amount to be determined by the General Manager based on Davis & Weber Counties Canal Company's per share declaration. Mr. Zito seconded the motion. The motion carried unanimously.

B. Consideration of Leasing Wilson Irrigation Company Shares to Weber Basin Water Conservancy District or Other Interested Parties. Mr. Banks said the District owns 21 shares of Wilson Irrigation Company stock. Mr. Banks said the District has offered to lease the shares to Weber Basin Water Conservancy District, although they have declined. Mr. Banks said he has been in discussions with someone who is interested in leasing the stock, and instructed them to contact Wilson Irrigation Company to make sure the shares the District owns can be used on their ditch. Mr. Banks said Wilson Irrigation Company said it was okay. Mr. Banks said the agreement would be the same as other lease agreements the District has done, and the price would be the cost of the assessment plus 5%. Mr. Banks said the interested party has requested first right of refusal each year. Mr. Banks said he would have Attorney Rose review the agreement and bring it back to the next Board meeting for approval.

Mr. Newman made a motion to leave it up to the District Manager to find an interested party in Wilson Canal stock, and to run it by the District Attorney. Mr. Ritchie seconded the motion. The motion carried unanimously.

C. Consideration of Salt Point Commercial Development Agreement. Mr. Banks said this property is at the northeast corner of 4000 South and 2975 West in West Haven. Mr. Banks said they will be constructing two buildings on one parcel. Mr. Banks said the parcel has never been allocated water, so the developer will need to bring ½ share of D&WCCC stock, or the appropriate amount of Wilson Irrigation or Hooper Irrigation shares. Mr. Banks said the District will require two services and two meters be installed for each building in case the parcel is divided in the future.

Mr. Ritchie made a motion to approve the Salt Point Commercial Development Agreement. Mr. Zito seconded the motion. The motion carried unanimously.

D. Discussion of Secondary Water Metering. Mr. Banks said House Bill 242 was passed by the legislature, and it is anticipated it will be signed by Governor Cox. Mr. Banks said a few changes were made in the second substitute of the bill, but nothing that will have much impact on the District. Mr. Banks said one change was the added ability to receive money for meters already installed. Mr. Banks said there are \$10 million in grants available to the District with a 70/30 match for 2022 and 2023, but will decrease every year after that. Mr. Banks said the District should try to get as much grant money as possible. Mr. Banks said the District would need to come up with \$4.3 million in about three years after the 70/30 match. Mr. Banks said the state will make loans available at 1% interest for 85% of the District's portion. Mr. Banks said Zions Bank is currently offering a 2.5-3% interest rate for bonds.

Mr. Banks said the deadline to have all meters installed is still January 1, 2030, and the same penalties will be applied if the entire system is not metered by that date. Mr. Banks said the penalties are being looked at as motivation to get districts moving quickly toward meters. Mr. Ritchie said there will most likely be supply issues, so he wondered if there was a feeling the legislature will be amenable to making changes to the bill in the future as districts make good efforts to comply with the law. Mr. Banks said there are six entities that would like to collaborate in the metering project by working with suppliers and possibly State Purchasing, and by working with contractors. Mr. Banks said there is the need for probably 200,000 meters throughout the state, which will cause supply issues because of the shortened timeframe. Mr. Newman asked if the state will continue to offer grants or money for meter replacement in the future. Mr. Banks said the issue has been brought up, but the state has not indicated they are willing to appropriate any money for on-going maintenance issues related to secondary meters. Mr. Banks said districts will need to make their best effort to comply to show the legislature it is being taken seriously and hope that the legislature will make amendments to the bill in the future as problems and issues arise.

E. Public Comments. Paul and Jackie Wilson introduced themselves as citizens of Roy and owners of Lawn World. Mr. Wilson said they were interested in learning about water restrictions for this year so they can inform their customers. Mr. Wilson said he is in support of secondary water meters and wondered what increased assessments would look like. Mr. Banks said the District would have a company like Zions Bank or Lewis Young conduct a rate study to determine where rates need to be in order to pay back the loan and costs associated with meter installation. Mrs. Wilson said it is important to educate customers on how to water lawns, trees, and gardens efficiently.

V. REPORTS FROM MANAGER AND TRUSTEES.

A. Wilson Irrigation Company Stockholders Meeting · February 15, 2022. Chair Ohlin said the Wilson Irrigation Company board discussed their budget, audit, and future plans. Mr. Banks said they also talked about a rate increase, which was the first in 11 years.

B. Rural Water Annual Conference · February 28 - March 4, 2022. Mr. Banks said the conference was really good. Mr. Banks said he was able to meet the new Director of Utah Division of Water Resources, Candice

Hasenyager. Mr. Banks said this conference generally has more suppliers to talk to. Mr. Banks talked to a meter supplier, who offered a few free meters to the District so they can be compared to the current Sensus meters.

C. Manager & Trustees Reports. Mr. Banks said some customers have expressed interest in removing secondary water from their parcel. Mr. Banks said he would like to have the District's attorney review the District's Rules and Regulations to add something specifically addressing the issue. Mr. Banks said it will be easier to have something in print so District staff can refer to it when approached by customers. Chair Ohlin said the Roy City ordinance requiring secondary water on residential properties can give some backing to the District as to why secondary water will not be removed from a property. Mr. Zito agreed that the District needs to be ahead of the game and prepared for more requests in the future. Mr. Newman said maybe the District's attorney needs to review the current contract and see if this issue is addressed there. Mr. Banks said the District will need to revise its contract and petition at some point to allow billing by actual water use when the time comes. Mr. Banks said even when the entire District is metered, the current contracts do not allow billing by actual use, so that will need to be addressed. Mr. Newman asked if Roy City would work with the District in helping get new customers to sign new contracts with the District. Mr. Banks said as long as the relationship with Roy City stays good, he thinks they would work with us.

Mr. Banks said Weber Basin published their drought response for 2022, which imposed drastic cuts to water use. Mr. Banks said the District has a different water source through D&WCCC, so the District probably will not be in the same situation as Weber Basin this year. Mr. Banks said Weber Basin is already seeing the effect of the drought on groundwater.

Mr. Banks asked the Board their opinion on drafting a notice for District customers. Mr. Banks said there are two options, one of which has a lot more detail. Mr. Banks said sometimes having more detail can backfire, especially since it is still unknown what water conditions will be for the season. The Board agreed to go with the more simple notice to be published to the District website and Facebook page so it can more easily be amended as water conditions are better known. Mr. Zito suggested the District get a plastic banner like Bona Vista has with a simple "conserve water" message to display so people from the freeway and Freeway Park Drive can see it from either direction.

Mr. Banks said East Canyon is 58% full, Echo is 37% full, but the snow-water equivalent is 77%, which has increased due to recent storms. Mr. Banks said the Weber River Commissioner has a report showing storage amounts in reservoirs allocated to different entities. Mr. Banks said D&WCCC has about 23,000 acre-feet of storage between Echo and East Canyon. Mr. Banks said there have been times in the past when D&WCCC had less storage at the beginning of a water season, so the current amount is not unprecedented.

Mr. Banks told the Board a representative for Verizon approached him about upgrading to fiber optics going out to the Airwaves Tower. Mr. Banks said he would start negotiations. Mr. Banks said AT&T and Sprint/T-Mobile already have fiber optics installed on District property.

Mr. Banks said Weber County would begin advertising for the mid-term Board vacancy the next day.

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

VII. APPROVAL OF CHECKS.

A. Current Checks. Mr. Newman made a motion to approve the checks for March 9, 2022. Mr. Ritchie seconded the motion. The motion carried unanimously.

VIII. ADJOURNMENT. Mr. Zito made a motion to adjourn at 6:31 p.m. Mr. Ritchie seconded the motion. The motion carried unanimously.

Minutes Approved

Mark W. Ohlin, Chair

Recording Secretary