

**MINUTES OF THE REGULAR MEETING OF THE
BOARD OF TRUSTEES OF THE SOUTH DAVIS WATER DISTRICT
HELD NOV. 8, 2023 AT THE DISTRICT OFFICE
LOCATED AT 407 WEST 3100 SOUTH, BOUNTIFUL, UTAH**

Trustees Present:

M. Jerry Hawley	Chairman
Ron Mortensen	Trustee
Kathy Thurston	Trustee

Also present:

Jake M. Ferguson	Manager
Tracie James	District Clerk
Greg Smith	Resident
Curt Kofford	Resident
Gary Davis	Resident

The meeting was called to order by Trustee Hawley at 4:31 p.m., after which he welcomed all those present.

Minutes of Previous Meeting:

Trustee Mortensen moved that the regular meeting minutes from Oct. 11, 2023 be approved as written. Trustee Thurston seconded the motion. The motion carried with Trustees Hawley, Mortensen and Thurston voting "aye".

Expenditures Update:

The expense report for October was reviewed. Trustee Thurston moved that the expenses for October be ratified and approved. Trustee Mortensen seconded the motion. The motion carried with Trustees Hawley, Mortensen and Thurston voting "aye".

Review current salary and benefit plan including medical, leave, and other benefits:

Mr. Ferguson reviewed District employee compensation and benefits for the Board. Mr. Ferguson also reviewed the recent COLA and performance increases that employees received for 2023. Trustee Mortensen asked staff to look into developing a formal policy for determining the leave accrual rate for new employees.

Consider adopting the 2024 Tentative Budget as presented by the General Manager:

Mr. Ferguson presented the 2024 Tentative Budget. The Budget was reviewed and a discussion was held (see attached 2024 Tentative Budget). Mr. Ferguson explained that the Social Security Administration is providing a 3.2% cost of living increase for Social Security beneficiaries in 2024. In order to show the Board how the District's employees compare with other Districts of similar size and neighboring cities, Mr. Ferguson presented a total compensation comparison of general managers and water operators. Mr. Ferguson showed that of the 12 entities compared, the District came in at #10 in total compensation. However, Mr. Ferguson stated that employees

received a large increase this year due to the 2023 COLA, and an increase mid-year due to the minimizing of the number of full-time water operators staffed by the District. Because of these 2023 increases, the Board decided to not give the 3.2% COLA, and instead give the employees a 2% COLA increase along with an average performance increase of 1.5%.

Mr. Ferguson explained why the water sampling and legal fee expenses were increased. He stated that this was due to there being detectible amount of PFAS in EPA UCMR 5 water samples that were taken in March of this year. Mr. Ferguson explained that the amount of PFAS found was not close the EPA's proposed MCL, except for Enoch Spring being within 80% of the MCL. Mr. Ferguson explained that the District needs to sample all sources for the 29 PFAS chemicals in order to see if there are any other sources contaminated, and to be able to file a claim in conjunction with the water system class-action suit against Dupont and 3M.

It is proposed that there is no increase or decrease in the culinary and/or irrigation water rates. It was also proposed that the District's Public Treasurer Investment Fund savings account that is currently named "Irrigation Meter Install Reserve" will be renamed to "Reserve Fund" and in the future, the District will put the monies generated from the \$59 irrigation connection increase in the "Reserve Fund" account for emergencies only. The money generated from the connection fee increase for 2023 was used to install secondary meters and will also be used to operate and maintain the meters. Trustee Mortensen asked the General Manager to create a Reserve Policy for Board consideration.

It was motioned by Trustee Mortensen that the 2024 Tentative Budget be tentatively adopted as previously discussed and that the District hold a public hearing on Wednesday December 13th, 2023 at 6:00 pm. Trustee Thurston seconded the motion. The motion carried with Trustees Hawley, Mortensen and Thurston voting "aye".

Manager's Report:

Update on the Progress of Secondary Metering:

The District's contractor, Ormand Construction, has completed the secondary meter installation project with the exception of the actual meters. The meters are on order and could take several months to receive.

The District has received 2 ARPA grant money reimbursements for materials, engineering and contractor expenses for secondary metering.

Mr. Ferguson reported that the District was able to cancel the secondary meter order with no charge. Mr. Ferguson had a meeting with the managers at Core and Main and explained why the District is postponing the secondary water installation project. Core and Main is going to allow the District to return the materials received, and will try to redistribute the materials to their different distribution centers so that the District doesn't have to pay the restocking fee. Mr. Ferguson stated that this is not a certainty, however.

Construction and Maintenance Projects:

Mr. Ferguson reported that the thrust bearing on the well pump at the Val Verda well went out. The pump was only installed 3 years ago but is no longer covered under warranty. Mr. Ferguson had a conversation with the vendor and they agreed to replace the pump for half price. The pump has been replaced and is currently working great. The cost was a little over \$14,000.

The Val Vista #1 well pump was rehabilitated and a new well pump and motor was installed in September. It is now functioning properly. This project cost the District a little over \$50,000.

The construction of the new conference room is ongoing. Mr. Ferguson stated that he is hopeful that the conference room will be available for the board meeting and budget hearing next month. Trustee Mortensen emphasized that furnishings and other accessories for the conference room be modest in design and as inexpensive as possible.

Mr. Ferguson reported that District personnel are currently in the process of draining and cleaning out irrigation reservoir #2. Personnel have also been sorting and hauling away roughly 100 yards of spoil pile that comes out of the road during the repair of water leaks.

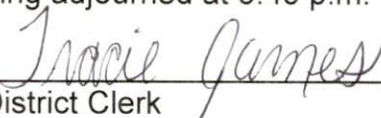
Report on the results of EPA required testing from March 14, 2023:

Mr. Ferguson discussed again the positive hit that several of the District's sources got for PFAS. Enoch Spring tested at a higher level than other District sources, but still tested under the maximum contaminant level (MCL) as set by the EPA which is stated in parts per trillion. Other water providers in the area have also tested positive. Mr. Ferguson believes it could be related to fire retardant that was used in recent years to fight fires in the mountains above Bountiful, North Salt Lake and Centerville cities. The District will be required to retest all water sources and test for 29 PFAS chemicals. This would cost the District around \$125,000. Mr. Ferguson spoke with a representative at the State Division of Drinking Water and the State has agreed to test for 25 of the 29 PFAS chemicals. The District will pay to test the remaining four chemicals at an estimated cost of roughly \$30,000. If it became necessary to divert Enoch Spring to irrigation from its current use as culinary water, the District could get by. The District did apply to be included in the nationwide PFAS lawsuit, which could potentially reimburse the District for PFAS testing, damages and treatment if necessary.

Financial Statement:

There were no major questions or concerns with the financial statement.

There being no further business, the meeting adjourned at 5:45 p.m.



District Clerk



2024 Tentative Budget

	2024 Tentative Budget	2023 Forecast	2023 Budget	2022 Actual	2022 Budget	2021 Actual	2021 Budget
Revenues							
Operating Revenues							
Culinary Sales	\$1,081,000	\$1,081,000	\$1,081,000	\$1,040,119	\$1,081,000	\$1,025,181	\$1,060,000
Irrigation Sales	\$519,000	\$519,000	\$519,000	\$361,917	\$396,000	\$343,479	\$363,000
Bountiful City Water Sales	-	-	-	-	-	\$25,117	-
NSL City Water Sales	\$91,000	\$88,000	\$88,463	\$86,667	\$86,667	\$84,069	\$81,000
Hook-up Fees	-	-	-	\$28	-	\$205	-
Fire Protection	\$2,000	\$2,000	\$2,000	\$1,972	\$2,000	\$1,982	\$2,000
Total	\$1,693,000	\$1,690,000	\$1,690,463	\$1,490,703	\$1,565,667	\$1,480,033	\$1,506,000
Non-Operating Revenues							
Property taxes	\$100,000	\$96,000	\$96,000	\$101,958	\$100,000	\$81,247	\$100,000
Personal Property	\$7,000	\$7,000	\$7,000	\$6,004	\$8,000	\$7,063	\$8,000
Redemption's	\$12,000	\$12,000	\$12,000	\$12,304	\$12,000	\$17,707	\$12,000
Property Tax Penalties	\$500	\$500	\$500	\$249	\$500	\$226	\$500
Gain on sale fixed assets	-	-	-	-	\$11,000	-	\$11,000
Interest Income	\$6,000	\$4,000	\$2,000	\$3,235	\$2,000	\$856	\$5,000
Penalties, fines, other	\$1,000	\$1,000	\$1,000	\$1,080	\$1,000	\$5,098	\$1,000
Total	\$126,500	\$120,500	\$118,500	\$124,829	\$134,500	\$112,198	\$137,500
Total Revenue	\$1,819,500	\$1,810,500	\$1,808,963	\$1,615,531	\$1,700,167	\$1,592,230	\$1,643,500
Expenses							
Operating/NonOperating Expenses							
Water Purchase	\$291,000	\$281,000	\$281,000	\$271,470	\$272,000	\$263,764	\$264,000
Telemetry	\$2,000	\$1,500	\$2,000	\$2,125	\$2,000	\$1,085	\$2,000
Inventory	\$28,000	\$28,000	\$28,000	\$25,787	\$26,000	\$28,470	\$26,000
Employee Wages	\$412,000	\$410,000	\$422,000	\$390,670	\$387,000	\$360,496	\$361,000
Meter Reading Expense	\$17,000	\$9,000	\$16,000	\$13,574	\$15,000	\$13,327	\$14,000
Power and Pumping	\$104,000	\$93,000	\$90,000	\$88,654	\$89,000	\$93,712	\$81,000
General Operating	\$130,000	\$130,000	\$130,000	\$99,790	\$130,000	\$126,527	\$130,000
General Administrative	\$20,000	\$20,000	\$20,000	\$20,303	\$21,000	\$13,824	\$14,000
Water Samples	\$35,000	\$11,000	\$7,000	\$11,714	\$11,000	\$5,650	\$6,000
Trustee Fees	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$6,000
Payroll taxes	\$36,000	\$35,000	\$35,000	\$31,569	\$31,000	\$29,037	\$31,000
Employee Benefits	\$161,000	\$170,000	\$187,000	\$183,342	\$179,000	\$175,543	\$168,000
Pension Expense	\$20,000	\$20,000	\$20,000	-\$101,721	\$20,000	-\$52,474	\$20,000
Truck and Auto	\$9,000	\$9,000	\$9,000	\$8,651	\$9,000	\$5,747	\$11,000
Technical Service Expense	\$8,000	\$3,000	\$3,000	\$1,976	\$2,000	\$740	\$4,000
Tractor Maint. Expense	\$1,000	\$2,000	\$2,000	-	\$2,000	\$102	\$3,000
Equipment Lease Expense	\$5,000	\$3,000	\$33,000	\$1,431	\$30,000	\$29,819	\$29,000
Office Supplies	\$2,000	\$1,600	\$2,000	\$1,702	\$2,000	\$1,841	\$2,000
Utilities	\$7,000	\$5,000	\$5,000	\$3,474	\$5,000	\$2,960	\$5,000
Telephone	\$6,000	\$5,500	\$8,000	\$5,833	\$8,000	\$6,416	\$12,000
Computer Expenses	\$25,000	\$23,000	\$23,000	\$21,119	\$23,000	\$21,814	\$23,000
Legal Fees	\$20,000	\$3,500	\$4,000	\$3,635	\$4,000	\$1,400	\$3,000
Audit	\$15,000	\$13,400	\$14,500	\$13,378	\$13,400	\$11,634	\$11,000
Insurance	\$24,000	\$23,500	\$24,000	\$27,928	\$24,000	\$23,192	\$22,000
Election Expense	-	\$6,000	\$6,000	-	-	\$5,032	\$5,200
Engineering Fees	\$6,000	\$5,000	\$6,000	\$4,285	\$6,000	\$5,521	\$6,000
Bad Debts	\$3,000	\$2,800	-	\$2,800	-	-	-
ROU Amortization Expense	\$25,000	\$26,100	-	\$26,089	-	-	-
Property Maint. Expense	\$8,000	\$6,300	\$8,000	\$9,799	\$10,000	\$3,915	\$10,000
Online Bill Pay Fees	\$4,000	\$8,000	\$8,500	\$9,268	\$8,500	\$8,070	\$8,000
Food	\$1,200	\$650	\$1,200	\$624	\$2,500	\$1,371	\$3,000
Employee Training & Cert.	\$6,000	\$5,300	\$6,000	\$5,534	\$6,000	\$3,735	\$8,000
Membership Dues	\$4,500	\$4,500	\$5,500	\$4,291	\$5,500	\$5,241	\$6,000
Bank Fee Expense	\$2,000	\$3,200	\$3,500	\$3,104	\$3,500	\$3,085	\$3,000
Total	\$1,441,700	\$1,372,850	\$1,414,200	\$1,196,197	\$1,351,400	\$1,204,595	\$1,297,200
Capital Expenses							
Building	\$17,000	\$16,000	\$14,000	\$13,230	\$12,000	\$10,922	\$14,000
Tools & Equipment	\$11,000	\$10,000	\$12,000	\$11,760	\$15,000	\$7,322	\$12,000
Office Equipment	\$8,000	\$7,000	\$8,000	\$9,233	\$10,000	\$11,540	\$9,000
Telemetry	\$1,000	\$1,000	\$2,000	\$1,948	\$2,000	\$1,948	\$2,000
Vehicles	\$25,000	\$23,000	\$29,000	\$31,390	\$36,000	\$41,453	\$45,000
Water Lines, Infrastructure	\$105,000	\$99,000	\$107,000	\$88,875	\$90,000	\$84,890	\$86,000
Water Treatment	\$27,000	\$25,000	\$22,000	\$20,627	\$21,000	\$20,780	\$20,000
Total	\$194,000	\$181,000	\$194,000	\$177,064	\$186,000	\$178,855	\$188,000
Total Expense	\$1,635,700	\$1,553,850	\$1,608,200	\$1,373,261	\$1,537,400	\$1,383,450	\$1,485,200
Operating Gain (Loss)	\$183,800	\$256,650	\$200,763	\$242,271	\$162,767	\$208,780	\$158,300