

**MINUTES OF THE REGULAR MEETING OF THE  
BOARD OF TRUSTEES OF THE SOUTH DAVIS WATER DISTRICT  
HELD AUG. 10, 2022 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
Gary Davis	District Resident
Greg Smith	District Resident

The meeting was called to order by Trustee Hawley at 4:40 p.m., after which he welcomed all those present.

**Minutes of Previous Meeting:**

Trustee Mortensen requested a change be made to the minutes to add that District residents have done very well conserving irrigation water over the past year due to requests made by the District to residents via post card mailings (irrigation water usage for 2021 was 1291 acre feet compared to 1946 acre feet in 2020). Trustee Mortensen would also like noted that the projected irrigation water usage for 2022 is 906 acre feet. Trustee Thurston moved that the minutes for June 8, 2022 be approved with the changes noted above. Trustee Mortensen seconded the motion. The motion carried with Trustees Hawley, Mortensen and Thurston voting "aye".

**Expenditures Update:**

The expenses for July were reviewed. The Trustees would like Ms. James to send a breakdown of the yearly membership fees paid. Trustee Mortensen moved that the expenses for July be ratified and approved. Trustee Thurston seconded the motion. The motion carried with Trustees Hawley, Mortensen and Thurston voting "aye".

**Consider Allowing a 3<sup>rd</sup> Day of Irrigation Watering:**

Mr. Ferguson estimates that if the District allows a third day of watering per week, after calculating the 40% reduction of the District's allotment by Weber Basin, the District will still have around 400 acre feet of irrigation water left over by the September 15<sup>th</sup> shut off date. It was discussed that if a third day a week of watering is allowed, the District will still have reduced the irrigation water usage by 40% since 2020. It was proposed that if the District does allow a third day of watering, the third day be Saturday. After some discussion and input from the public, it was then proposed that if a third day of watering is allowed, that the days be split up, with half the District being allowed to water on Saturday and half the District being allowed to water on Sunday. Trustee Thurston motioned that the District allow residents to water a third day, with half the District being allowed to water on Saturday and the other half being allowed to water on Sunday. Trustee Mortensen seconded the motion. The motion carried with Trustees Hawley, Mortensen and Thurston voting "aye".

### The Meeting was Opened up for Public Comment and/or Questions:

Mr. Davis explained that he read on the internet that the public has a concept that there is a "secret" water storage area. It was explained that there is no "secret" water storage area and that all water storage areas are reservoirs that are out in the open.

Mr. Davis also expressed a concern with allowing the third day of watering because the idea of water conservation has been so important this year, and that the public might think we don't need to conserve any longer. Mr. Ferguson explained that even with allowing the third day of watering, there are still very strict watering restrictions in place. In the past, the only irrigation watering restriction has been no watering between 10am and 6pm, with watering being allowed any day, any amount of time. The restrictions in place this year include, 1) no watering from 10am to 6pm, 2) residents are only allowed to water 3 days per week, 3) residents are only allowed to water on certain days of the week based on their house number, 4) residents are only allowed to water a limited amount of time (20 minutes for pop-ups, 40 minutes for rotors) on their assigned day and 5) water was not delivered to residents until May 16, 2022 (a month later than normal) and water will stop being delivered to residents on Sept. 15, 2022 (a month earlier than normal).

### Consider Hiring Zion's Bank for Municipal Advisory Services Related to Meter Grant:

Mr. Ferguson presented the idea of hiring Zion's Bank as a bond advisory service to help provide guidance to the District if the District chooses to go forward with funding for the irrigation metering. Zion's would provide a bonding attorney as part of this service which is required if the District were to move forward with obtaining a bond. The cost would be \$2500. Trustee Mortensen expressed his concern with hiring an advisory service company at this time. There may be other advisory services who don't charge as much as Zions' Bank does.

Trustee Mortensen motioned the following:

"I move that we take no further action on water metering at this time, including on bonding, loans, etc. until the Board and staff are able to obtain users feedback obtained from a survey that will be developed jointly by the Board and the staff and sent to all users. The survey document shall provide users with clear and transparent information that allows them to make an informed decision when answering survey questions and includes the following:

1. The total cost of installing water meters, the estimated cost of each connection by lot size and how that cost was determined.
2. The average annual irrigation water **rate** increase required to install meters by 2026 including the consequences for users and the District associated with rate increases.
3. Where the District will get the \$232,000 upfront cash required as part of the cost sharing agreement for the grant and for a Board of Water Resources loan
4. Information about state Water Board loan including granting and repayment timelines, any collateral requirements, interest cost, etc.
5. Information about a state grant including the date grant money will be available and the latest date that reimbursements may be submitted for actual payments made for meters and meter installation before the federal money is no longer available and the District is required to pay the full cost of installation.
6. Bonding requirements and what that means for district users.
7. Alternatives to installing any or all meters by 2026 and by 2030.
8. Risks associated with failing to comply with state metering requirements.

Trustee Mortensen's motion was not on the agenda and therefore cannot be voted on at this time. Trustee Mortensen's presentation on what he feels needs to be done to move forward with the irrigation water metering has been noted above.

It was motioned by Trustee Mortensen that the board move on from this agenda item and no motion or decision is to be made today regarding the hiring of Zion's Bank for municipal advisory services. Trustee Hawley seconded the motion, the motion carried with Trustees Hawley and Mortensen voting "aye" and Trustee Thurston voting "nay".

#### Construction and Maintenance:

Mr. Ferguson reported the good news that the State of Utah Division of Drinking Water and the Davis County Health Department has approved the use of the sodium fluoride from Wego Chemical.

Mr. Ferguson reported that the State of Utah performed an irrigation reservoir inspection last month and the District may have to remove some trees at irrigation reservoir #2.

Mr. Ferguson reported that the District has an old 2 inch culinary main line that runs through residents backyards and has begun to leak. The District has hired a contractor to disconnect the old main line and run 700 ft of new main line in Orchard Dr. along with new service lines and meters. The contractor will also have to install new customer side service lines and connect the new portion of the service line to the customer's old service line. The District, through the contractor, is going to offer a 1-year warranty to the homeowners for the portion of the new customer side service line. The District has recommended that the homeowners replace their old service lines. This project will cost about \$110,000.

Mr. Ferguson reported that the District is still waiting for Widdison Turbine Service to research the water production problem at the Val Verda well.

Mr. Ferguson reported that the newly hired meter reader quit. The District has hired Rose Jensen as the new meter reader.

#### Water Outlook:

It is estimated that the District will have 400 acre feet of water left at the end of the irrigation season.

#### Financial Statement:

Mr. Ferguson reported that water sampling prices have increased this year and the budget set for the water sampling expense account was not enough. The District is an enterprise fund, so other expense accounts can make up the difference for the extra expense of water sampling.

Trustee Mortensen mentioned that the District was awarded grant money, in the amount of \$3.6 million, from the Utah Division of Water Resources to install irrigation water meters, which is about 70% of the total cost of installation. The estimated cost to install irrigation water meters is \$5.1 million, which means the District would be forced to come up with \$1.5 million (30% of the total cost), which would most likely be in the form of a loan, along with some funds coming out of the capital improvement budget. The District would get reimbursed the irrigation

meter installation costs with the grant money and the grant money will run out in December of 2026, therefore, it is imperative that if the District were to accept the grant money and move forward with the installation of irrigation meters, that all reimbursements are submitted and paid before the end of December, 2026.

Trustee Mortensen expressed his concern with the District's estimated cost of installing the irrigation meters, at \$2503.15 per meter, as some other entities have estimated a higher dollar amount per meter. Mr. Ferguson explained that it's possible that some of the other entities are installing new irrigation main lines, etc. and this may be why these entities estimate the project to cost more per meter. There will be more grant money available to apply for next year as well, if needed.

Trustee Thurston asked Mr. Ferguson if the irrigation water meters had been ordered through the inter-local agreement with Weber Basin. Mr. Ferguson reported that, yes, 500 meters have been ordered, but have not been shipped. The District is not required to pay for the meters until the meters are shipped. Trustee Mortensen expressed his concern with the District's ability to pay for those meters, which will cost around \$200,000.

Mr. Ferguson asked if the Board would like to send out a survey to District residents asking for the public's opinion regarding moving forward with irrigation meter installation. The following are a couple survey question suggestions by Mr. Ferguson:

- 1) Would the public like to wait until the next legislative session to see if there is an amendment to the water metering bill?
- 2) Would the public like to forgo irrigation water metering all together and risk the possibility of the District receiving a fine (starting in 2030) and possibly lose out on the 70% grant money awarded, but still cut back 30% on water usage so that the District is still conserving as much as those who are metering (irrigation metering is estimated to reduce irrigation water usage by 30%)? It is hoped that the State of Utah would choose not fine the District because the District would be conserving as much water as those who do meter.

The following is a survey question suggested by Trustee Mortensen:

- 3) Would the public like to include the price of installing an irrigation water meter in the price of a home sale as a home changes ownership? This method is unpredictable because the District would have no way of knowing how many homes would sell between now and 2030, which is when the fines are estimated to start taking place.

Trustee Mortensen mentioned, though, that he'd like to wait to send out a survey until the State of Utah performs a ground water management plan for the District to see if the District could possibly be exempt from irrigation water metering. Trustee Hawley suggested that the District could be taking a risk if we were to wait for the ground water management plan because the District has no timeframe from the State as to when the plan would be completed and the District could possibly miss out on the grant money. Trustee Mortensen has requested a separate meeting to discuss different questions and options to provide the public on the survey.

Trustee Mortensen expressed his concern with the District being able to pay back a loan, postponing capital improvements for 4 years, rate increases and how that will impact residents, and/or how the district would pay for any emergencies that may arise if the District decides to move forward with installing irrigation meters. Mr. Ferguson reported that a financial breakdown of how the District can pay for irrigation water meters was provided by Mr. Ferguson to the Trustees at the meeting in July. Trustee Mortensen requests that all previous

handouts be available for current and future meetings in paper form. Trustee Mortensen requested again that all of his questions noted above in his disallowed motion be answered on paper before he would be willing to support anything related to irrigation water metering. Trustee Hawley noted that Trustee Mortensen, in past meetings, has already stated that he will not support irrigation water metering. Mr. Ferguson asked again if the Board would like to mail out a survey to the residents in the District informing them of what's going on with the water metering and to receive public input on how to move forward. Trustee Mortensen said "no" and requests that all costs and all of his questions noted above in his disallowed motion be answered on paper before a survey goes out to the public.

Trustee Mortensen requests a breakdown on paper as to how the cost of \$2503.15 per irrigation meter installed was estimated. Mr. Ferguson explained that contractors are not willing to come out to give the entire District a bid for each individual irrigation connection in the District, but that the estimated cost was obtained from Weber Basin, based on what they have been paying to have the irrigation meters installed. Some meters in front yards will cost less, some meters that will have to be installed in backyards will cost more. The \$2503.15 is an average estimated cost per meter based on what Weber Basin has paid to have irrigation meters installed in front yards and backyards. The District could have included installing new irrigation main lines as part of the project application, and could have possibly been awarded more grant money, that would have also meant that the District would have to come up with more money in the form of a loan or out of the capital improvement budget, therefore, the District did not calculate installing new irrigation main line with the grant application process.

Trustee Mortensen asked how the District would pay for an emergency should one arise and expressed his concern with the District having no bonding authority should the District take out a loan to cover the cost of irrigation metering. Mr. Ferguson stated that the District does have around \$200,000 in reserve at this point that was allocated for capital improvements. Trustee Mortensen requested again that all previous handouts and/or financial breakdowns be available for current and future meetings. Mr. Ferguson reported that all of the reports, handouts and breakdowns from previous and current meetings are available, and are stored on his computer and can be printed out. Trustee Mortensen requests that all previous handouts be provided in the form of a paper printout.

Trustee Mortensen moved to adjourn the meeting and stated that the motion is a non-debatable motion. Trustees Hawley and Thurston disagreed and voted "nay" and the meeting continued.

Mr. Ferguson requested that the Trustees let he, and/or Ms. James know ahead of time if there is any particular information that they would like provided at each meeting and if they would like to add any agenda items to the agenda.

Mr. Ferguson stated that he does not want the District to have to install irrigation water meters. Trustee Hawley stated that the District has been fighting against irrigation water metering for five years, but, unfortunately, the legislature passed a bill requiring it.

There being no further business, the meeting adjourned at 6:15 p.m.

  
District Clerk