

MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE SOUTH DAVIS WATER DISTRICT HELD JAN. 10, 2024 AT THE DISTRICT OFFICE LOCATED AT 407 WEST 3100 SOUTH, BOUNTIFUL, UTAH

Trustees Present:

Ron Mortensen	Trustee
Kathy Thurston	Trustee
Elaine Oaks	Trustee

Also present:

Jake M. Ferguson	Manager
Tracie James	District Clerk
Greg Smith	Resident

The meeting was called to order by Trustee Mortensen at 4:32 p.m., after which he welcomed all those present.

Members of the Board to Vote for Chairman of the Board of Trustees by Majority Vote:

Trustee Thurston stated that she would like to be chairman. Trustee Mortensen stated that he would like to be chairman. Trustee Oaks asked which board member has served the longest. Mr. Ferguson reported that Trustee Mortensen has served on the board the longest. Trustee Oaks motioned that Trustee Mortensen serve as chairman for a 2-year term. Trustee Mortensen seconded the motion. The motion carried with Trustees Mortensen, Thurston and Oaks voting "aye".

Minutes of Previous Meeting:

Trustee Thurston moved that the meeting minutes from Dec. 13, 2023 be approved as written. Trustee Oaks seconded the motion. The motion carried with Trustees Mortensen, Thurston and Oaks voting "aye".

Expenditures Update:

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

Board Members to Sign the Ethical Behavior Pledge Form:

The Board reviewed the Ethical Behavior Policy and each Board member signed the Ethical Behavior Pledge Form.

Discuss the Dangers of Natural Asset Companies (NAC's) and How the District Can Best Help in Countering Them:

The Securities and Exchange Commission (SEC) issued a proposed rule to approve the creation of a new investment vehicle, a natural asset company, that is in conjunction with an organization called The Intrinsic Exchange Group to put this type of

company on the New York Stock Exchange to have money raised for managing land. The land could be public, private, national park or any type of land. Trustee Oaks believes it to be a breach and overreach of SEC authority. She posed the question as to whether this could affect our waterways. Trustee Mortensen asked Mr. Ferguson if he thought this could affect the District in any way. Mr. Ferguson reported that as he researched this further, he doesn't believe this would affect the District because of the area where the District owns land and water rights are not part of the land that would be covered under the SEC proposal. Therefore, District owned water rights would not be in jeopardy as far as he could tell. It was determined that no official action would be taken by the Trustees but that Trustee Oaks would draft a public comment for submission to the SEC that other Trustees could support in their personal, not official, capacity should they so desire.

Manager's Report:

Construction and Maintenance Projects:

Mr. Ferguson reported that the CDBG grant through Davis County opened for applications this week. Mr. Ferguson is applying for the grant to help with replacement of about 800 feet of main line, and several service lines from 500 W. down to 575 W. on 3000 S. The Engineers estimate on the project is around \$330,000.

Mr. Ferguson reported that District personnel have repaired 8 main line breaks and helped one customer with a frozen service line.

Mr. Ferguson reviewed the 2023 water loss report. The District had an 8.5% overall total water loss in 2023.

Mr. Ferguson reported that Senator Hinkins has a water resources amendment bill that does not have a bill number assigned to it yet. Mr. Ferguson is watching this closely.

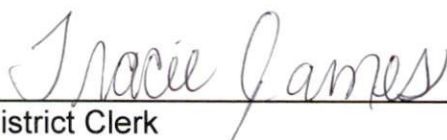
Mr. Ferguson reported that the auditors have completed the inventory audit and had no findings.

Mr. Ferguson reported that the current snowpack for the area that serves the District is at 84% of normal.

Other Items:

Mr. Ferguson reported that there is a 2024 Legislative update training through the American Water Works Association. This training is up at the State Capitol building on Monday, Feb. 12. The in-person cost is \$80/person. Trustees will let staff know if they wish to attend so they can be registered for the event.

There being no further business, the meeting adjourned at 5:25 p.m.


District Clerk