

**MINUTES OF THE REGULAR MEETING OF THE
BOARD OF TRUSTEES OF THE SOUTH DAVIS WATER DISTRICT
HELD JUNE 14, 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
Tinoa Tuioti	Resident
Elaine Oaks	Resident
Mitch Stanton	Audit firm WSRP
Nate Davis	Audit firm WSRP

The meeting was called to order by Trustee Hawley at 4:35 p.m., after which he welcomed all those present.

Minutes of Previous Meeting:

Trustee Mortensen moved that the minutes from May 10, 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 May was reviewed. Trustee Thurston moved that the expenses for May be ratified and approved. Trustee Mortensen seconded the motion. The motion carried with Trustees Hawley, Mortensen and Thurston voting "aye".

Independent Auditors of WSRP to Review the District's 2022 Audit With the Board:

Mr. Davis and Mr. Stanton presented the 2022 audit in draft form. The auditors stated that there were no exceptions noted on the accountant's report and overall, the District is in a sound financial position. Mr. Stanton pointed out that there was a change in accounting principles known as GASB 87, relating to the lease of equipment. The equipment that is leased by the District will now be listed as an asset that depreciates. The auditors also stated that there were no weaknesses found on the financial report, compliance report or the internal audit.

Consider approving the State Tax Commission's 2023 certified tax rate for the District of 0.000128. This rate would realize \$105,968. The prior year's rate was 0.000125, resulting in certified revenue of \$104,748. Property value has dropped by \$10,106,013 this year compared to 2022.

Trustee Mortensen asked Mr. Ferguson what percentage of the District's yearly budget includes the monies received from property tax revenue. Mr. Ferguson reported that the property tax revenue accounts for about 2% of the District's annual revenue. After some discussion, it was decided there is no need for a Truth in Taxation hearing. Trustee Mortensen

moved that the District ratify and accept the Resolution Adopting Final Tax Rate. 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:

Mr. Ferguson reported that he met with the State Engineer and her assistant regarding a potential new ground water management plan for the Bountiful Sub-Area of the East Shore Area of Southern Davis County, in other words, the aquifer in the southern area of Davis County. Mr. Ferguson's main purpose of this meeting was to discuss secondary metering. Mr. Ferguson stated that the reduction in the amount of secondary water would negatively impact the aquifer that water providers in the area rely on for culinary water. Mr. Ferguson discussed the official USGS report that was released in 1991, which shows that up to 40% of the aquifer recharge comes from secondary watering. The District's Engineer, Mark Chandler, attended the meeting with Mr. Ferguson and pointed out that secondary metering could be very detrimental to the culinary water production in this area. The State Engineer stated that she understood the predicament that secondary metering puts the Bountiful Sub area in. She also stated she would not be willing to give the District an exemption from metering because she would be going against Utah State code. Mr. Ferguson also discussed Senate Bill 251, Sub-section 10 C that states if the District is part of a ground water management plan that is 2006 or newer, then the District will not have to meter secondary water. The State Engineer stated that it is likely there will be a new ground water management plan in the next 5 years. Mr. Ferguson discussed how this puts the District in a tough situation as to whether or not the District should move forward with secondary water metering. Mr. Ferguson is also researching how much irrigation water the District could save if pressure reducing valves were to be installed on the secondary water system, as well as how much culinary water could be saved if the District were to install cellular meter reads on the culinary meters.

Construction and Maintenance Projects:

Mr. Ferguson reported that the 725 West water line replacement project is complete. North Salt Lake City and the District have agreed to write up a change order with the District's contractor, Strong Excavation, in order to add the repaving of the road to the contract. North Salt Lake City will pay the amount of the change order, but they will not have to place the job out to bid. This agreement with North Salt Lake will save the District around \$17,000 in paving costs.

Mr. Ferguson reported on the revised Lead and Copper Rule. The District will be required to compile an inventory of all water line material within the District, including the resident's side of the service line. Mr. Ferguson has applied for assistance from the State of Utah to help with this compilation. Mr. Ferguson will be sending a survey to all District residents asking them to provide the material that their plumbing and service lines are made of.

Mr. Ferguson reported that the Val Vista #1 well pump and motor have stopped working. The pump and motor were brought up out of the well today and a camera was sent down to inspect the condition of the well. Mr. Ferguson will get the video in a few days and report what was found at the next board meeting. A well rehabilitation may be required which could cost around \$60,000.

Mr. Ferguson reported that the PFAS and PFOS law suit against DuPont, Corteva and Chemours has reached a settlement of \$1.185 billion. The District can use a portion of that money to both test for and treat these chemicals if any are found in the water system. It is unknown the amount of money that may be awarded to the District for these tests or for treatment if necessary.

Mr. Ferguson reported that the inside of the culinary water tanks have not been cleaned and inspected quite yet. Hopefully this will be done the beginning of July.

Water Outlook:

Mr. Ferguson reported that the District has only ordered 93 acre feet of irrigation water from Weber Basin so far this year, which is quite low compared to this time last year. We have gotten a lot of moisture this spring and the North Canyon Creek has so much water that the District has been able to use that water to keep the irrigation reservoirs full rather than ordering from Weber Basin.

The Weber Basin drainage area reservoirs are almost all completely full.

Update on Passing 3% Credit Card Fee to Customers Who Elect to Use Their Credit Card for Payments:

Mr. Ferguson reported that office staff have been assisting customers with questions regarding how to switch their auto-pay from a credit card to an electronic check. There have been a few complaints, but not too many.

Update on Operational Effectiveness of Having Fewer Staff:

Mr. Ferguson reported that there have not been any problems having one less water operator.

Update on the 2023 Board of Trustee Election:

Ms. James reported that the legislature is currently meeting to discuss Utah's election dates. Most likely the dates of the Utah election will be postponed a couple of weeks due to Utah representative Chris Stewart's resignation from Congress. This will push back all the requirement dates for the Board of Trustees election for the District. The District had three candidates file a declaration of candidacy-Jerry Hawley, Elaine Oaks and Greg Frazier-to fill one trustee seat. The District will be required to hold a primary election. This will cost the District about double the amount of having just a general election, which is around \$4,000. An election timeline will be provided by the Davis County Clerk as soon as it is available. Ms. James also reported that there are no financial reporting requirements for Special Service District Candidates.

There being no further business, the meeting adjourned at 5:57 p.m.



District Clerk

DAVIS COUNTY

Tax Year: 2023

The Board of Trustees for the above special district has set the current year's tax rates as follows:

Purpose of Tax Rate (Code from Utah Code Annotated)	Auditor's Tax Rate	Proposed Tax Rate	Maximum By Law	Budgeted Revenue
140 County Improvement District §17B-2a-401	0.000128	0.000128	0.0008	105,968
Total Tax Rate	0.000128	0.000128	Total Revenue	\$105,968

Certification by Taxing Entity

I, Melvin Jerry Hawley, as authorized agent, hereby certify that this statement is true and correct and in compliance with all sections of the Utah State Code relating to the tax rate setting process.

Signature: Melvin Jerry Hawley Date: 6/14/23

Title: Chairman of the Board Telephone: 801-295-4468

Mailing address: PO Box 140110, SLC, UT 84114-0110

Utah State Tax Commission - Property Tax Division
Resolution Adopting Final Tax Rates and Budgets

Form PT-800
Rev. 02/15

County: DAVIS

Tax Year: 2023

It is hereby resolved that the governing body of:

SOUTH DAVIS WATER DISTRICT

approves the following property tax rate(s) and revenue(s) for the year: **2023**

1. Fund/Budget Type	2. Revenue	3. Tax Rate
140 County Improvement District	105,968	0.000128
190 Discharge of Judgement		
	\$105,968	0.000128

This resolution is adopted after proper notice and hearing in accordance with UCA 59-2-919 and shall be forwarded to the County Auditor and the Tax Commission in accordance with UCA 59-2-913 and 29-2-920.

Signature of Governing Chair

Signature: M.L.J. Hanky Date: 6/14/23

Title: Chairman of the Board