

**MINUTES OF THE REGULAR MEETING OF THE  
BOARD OF TRUSTEES OF THE SOUTH DAVIS WATER DISTRICT  
HELD JULY 13, 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
Rick Smith	District Resident
Gary Davis	District Resident
Curt Kofford	District Resident
Greg Smith	District Resident

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

**Minutes of Previous Meeting:**

Trustee Thurston moved that the minutes for June 8, 2022 be approved as written. Trustee Mortensen seconded the motion. The motion carried with Trustees Hawley, Mortensen and Thurston voting "aye".

**Expenditures Update:**

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

**The Meeting was Opened up for Public Comment:**

Mr. Rick Smith expressed his concern with the District charging a minimum rate for water. Mr. Smith presented water bills from Tooele City and South Salt Lake City as a comparison. It was explained to Mr. Smith that the District "minimum" is also same as a "connection fee" or "service fee" that other cities charge. The minimum amount (or connection fee or service fee) is required to run the utility, with a yearly budget, in order to cover the fixed costs of the utility. It was also explained to Mr. Smith that different cities (or districts) have very different fixed costs and it's not a fair assessment to compare the South Davis Water District with Tooele City or South Salt Lake City who do not serve areas that are near the South Davis Water District. The South Davis Water District has water rates that are very comparable to the surrounding cities and districts. It was also explained to Mr. Smith that the District is non-profit and has a very conservative budget that is monitored very closely by Management and the Board of Trustees.

Mr. Greg Smith expressed his concern with the District allowing irrigation connections for new communities that are being built within District boundaries. Mr. Ferguson explained that, for the past 5 years, the District has not allowed any new irrigation connections, and will not allow any new irrigation connections in the future. Mr. Smith expressed his concern with rate increases and receiving less irrigation water because of drought restrictions. Mr. Ferguson explained that the District receives most of its irrigation water from Weber Basin and the District cannot control when Weber Basin turns the water on and off for the season. Weber Basin cut the District's water allotment by 40%. The District still had to pay full price for the contracted water, therefore, District residents, also have to pay the full yearly rate for the irrigation water. Mr. Smith also asked if District residents can supplement watering gardens with culinary water. Mr. Ferguson told him, yes, residents are allowed to use culinary to supplement their watering needs because 1) culinary is metered and can be monitored closely and 2) the District has its own sources of culinary water and isn't reliant upon Weber Basin for culinary water. Mr. Smith asked if there are irrigation meters on irrigation connections within the District and/or are there any plans to add irrigation meters to irrigation connections? Mr. Ferguson reported that the legislature passed HB 242 which will force all pressurized irrigation systems to install irrigation water meters on all irrigation connections by 2030. Mr. Smith asked who will pay for the installation of these irrigation water meters? Mr. Ferguson reported that the State is offering some grant money, which the District has applied for, to cover 70% of the cost. The other 30% will have to be paid for by the District, which could force the District to take out a loan to cover the 30% and/or could force rate increases for residents. The District will not know if the grant money has been awarded until August 2022. District management and board is going to try to have some changes made to the irrigation water metering bill.

Mr. Kofford asked if the District has any control over what new developments can be built within District boundaries and if the District can refuse to provide water to any new developments? Mr. Ferguson explained that cities (Bountiful City, North Salt Lake and Woods Cross City) have control over what new developments are allowed within their respective city limits. If the District refused to serve water to these new developments, the cities could just run their own water main line and provide water to these new developments, which would mean the District would miss out on the taxes and the revenue source that the developments bring to the District. Mr. Ferguson reiterated that these new developments do not receive any irrigation water. The District has a surplus of culinary water at this time, along with its own sources of culinary water, therefore, the District is currently able to provide culinary water to the new developments.

#### Construction and Maintenance:

Mr. Ferguson reported on the many concerns that are affecting the District right now:

1) Sodium Fluoride-Mr. Ferguson reported that sodium fluoride is very difficult to find. He has been researching and trying to find a way to get the UL Certification "Application" from Wego Chemical Group out of China, who is a provider of the sodium fluoride. The Davis County Health Department and the State of Utah, under House Bill 72, which was passed in 2013, require a copy of the actual "Application" for UL certification, not just the UL certification itself, in order to allow use of Wego Chemical's fluoride in the State of Utah. Mr. Ferguson has been able to speak with an employee of Wego Chemical, who speaks English, but they cannot understand exactly what it is that needs to be provided. Mr. Ferguson has been in contact with Tim Davis, who is the Director of Drinking Water to see if he is able to help the District with this problem. Mr. Ferguson has also been able to speak with UL (Underwriter's Laboratories) to verify that the fluoride provided by Wego Chemical is certified. UL does have the original "Application" from Wego, but they will not provide that directly to the District, it will only be provided to Wego. The District has about 6 bags of sodium fluoride that can be used at this time. If this matter isn't resolved soon, the Health Department can give a 6-month grace period

to remedy the problem. Mr. Ferguson believes that this matter will be resolved in a timely manner now that he has been able to communicate with an employee from Wego Chemical.

2) Weber Basin Irrigation Meter Contract-Weber Basin has not sent over the contract to Mr. Ferguson as of yet. Once the contract is signed, that will lock the District in at the current meter price as of the date of contract signing. The District will still have the option to cancel the order any time before the order ships without penalty.

3) Division of Drinking Water Grant for Irrigation Water Metering-Mr. Ferguson reported that the District will find out on August 4<sup>th</sup>, 2022 if the District has been awarded any grant money to help with 70% of the cost of installing irrigation water meters. A representative from the District is required to attend in person. Mr. Ferguson is going to be there. Mr. Ferguson provided a breakdown as to how the District could afford to pay for the other 30% of the costs with a loan, rate increases and the use of the capital improvement budget. Trustee Mortensen expressed his concern about how the District will be able to afford the 30% cost and/or if the District will qualify for a loan. Trustee Mortensen would like to hold a public hearing to get the public's input on the matter. Mr. Ferguson suggested that a survey card may be more effective than a public hearing. The Board will decide if a public hearing or a survey will be needed after the District finds out if any grant money was awarded on August 4, 2022.

4) Val Verda Well-Mr. Ferguson reported that the Val Verda well is producing less water than it has in the past. The well is producing 40 gallons per minute, down from 180 gallons per minute. This well was recently rehabilitated in 2020 and has a new pump. Widdison Turbine Service will research the problem and find a solution.

5) EPA Testing-Mr. Ferguson reported that the District was selected for UCMR 5 testing by the EPA in 2023, which requires sample collections for 30 different chemical contaminants throughout different times of the year. These tests can be very expensive, possibly around \$8000 or \$9000. Mr. Ferguson noted that there may be a provision where the District can get the EPA to pay for these tests. The District has performed some water testing on the wells and springs for the State of Utah recently. The District tested for organics, non-organics, carbamates, pesticides, herbicides, etc. The tests came back showing no problems.

6) Irrigation Reservoir Inspection-The State of Utah came out and inspected the 4 irrigation reservoirs owned by the District. The inspection went well, there are no major repairs needed.

#### Irrigation Metering Requirements for SB 242:

There were no new developments with SB 242.

#### Water Outlook:

Mr. Ferguson presented a report that shows the reservoir levels for the reservoirs that serve the District. The reservoir levels are higher than forecasted at the beginning of the irrigation season due to moisture received in the Spring and great conservation efforts by water users-Rockport 92%, East Canyon 72%, Echo 81%, Lost Creek 60%.

Mr. Ferguson reported that, so far, District residents have done very well conserving irrigation water for the 2022 season most likely due to watering restrictions and higher fees for violators, which was implemented by the Board in the May 2022 board meeting. It is estimated that the District may have a surplus of irrigation water at the end of the season if District residents continue to conserve.

District residents have also done very well voluntarily conserving over the past years in response to requests made by the District with postcard mailings. Water usage was down in 2021 (1291 acre feet used in 2021 compared to 1946 acre feet used in 2020). The District is on track for an additional reduction in 2022 based on current and projected usage of 906 acre feet for 2022.

Financial Statement:

Trustee Mortensen asked why we are 50% through the year, but the District doesn't have 50% of the water sales in? Ms. James explained that the majority of the irrigation water is billed to customers via their property tax. The majority of property tax payments come in to the County in November and the county sends the District the money collected for irrigation water in December. Culinary water sales start to increase as residents use more culinary water to water their landscape throughout the summer months. The revenue for water sales should even out by the end of the year. Trustee Mortensen was concerned that the District has already spent 95% of the legal counsel budget. Mr. Ferguson does not foresee any need for legal counsel for the remainder of the year. Trustee Mortensen asked why 100% of the forecasted engineering expenses has already been spent and Mr. Ferguson explained that most of the engineering is done towards the beginning of the year in anticipation of capital projects to be completed for the year. The tractor lease expense is at 100% because the lease has been paid for a year. There were no concerns regarding the District's finances.

Consider Hiring General Manager's Wife as a Part-Time Meter Reader:

Under UCA 52-4-205 it was motioned by Trustee Thurston and seconded by Trustee Mortensen that the meeting be closed to discuss the character and/or competency of an individual. The motion carried with Trustees Hawley, Mortensen and Thurston voting "aye". The meeting closed at 6:15 pm.  
The meeting re-opened at 6:28 pm.

After some discussion it was motioned by Trustee Thurston that Mindy Ferguson be hired as the District's part-time meter reader. Trustee Hawley seconded the motion. The motion carried with Trustees Hawley, Thurston and Mortensen voting "aye".

There being no further business, the meeting adjourned at 6:30 p.m.

  
District Clerk

CLOSED MEETING AFFIDAVIT

STATE OF UTAH )
:SS.
COUNTY OF DAVIS )

Having first been duly sworn, comes now M. Jerry Hawley, who deposes, states and affirms as follows:

- 1) I am a duly elected member of the Board of Trustees of the South Davis Water District (the "District").
2) A meeting of the District Board was held on July 13, 2022.
3) I presided over the District Board meeting.
4) During the course of the meeting, upon the affirmative vote of at least two-thirds of the Trustees, a quorum being present, the meeting was closed for the sole purpose of discussing: (Please check appropriate blank(s).)

X the character, professional competence, or physical or mental health of one or more individuals; and/or

the deployment of security personnel, devices or systems and/or

Further Affiant sayeth naught.

M. Jerry Hawley
Signature

SUBSCRIBED AND SWORN to before me this 13th day of July, 2022.

Tracie Rainey
Notary Public

