

Roy Water Conservancy District

Minutes of Board Meeting

April 19, 2023

5:00 p.m.

The following are minutes of the Board of Trustees regularly scheduled board meeting that was held at Roy Water Conservancy District, located at 5440 Freeway Park Drive, Riverdale, UT 84405, on Wednesday, April 19, 2023, at 5:00 p.m.

Present: Mark Ohlin, Chair; Gary L. Newman, Vice-Chair; Chad Zito, Gary S. Adams, and Jon S. Ritchie, Trustees; Rodney Banks, Manager/Treasurer; Linda Toupin, District Clerk; and Courtney Harris, Records Clerk.

I. CALL TO ORDER. Chair Ohlin called the meeting to order at 5:00 p.m. and welcomed everyone present.

II. PLEDGE OF ALLEGIANCE. The Pledge of Allegiance was led by Chair Ohlin.

III. APPROVAL OF MINUTES. Mr. Zito made a motion to accept and approve the minutes of March 8, 2023, board meeting as written. Mr. Adams seconded the motion. The motion carried unanimously.

IV. BUSINESS.

A. Public Comments. As no members of the public were present, Chair Ohlin closed the floor for public comments.

B. Consideration and Award of Secondary Water Metering Phase 4 2275 West 6000 South Project. Mr. Banks said the first three items on the agenda are add-on projects to the main line replacement project that Braegger and Sons Inc. and Braegger and Sons Construction were awarded. Mr. Banks said it made sense for them to install meters in the project areas while they are there doing main line replacement work.

Mr. Newman made a motion to award the Secondary Water Metering Phase 4 2275 West 6000 South Project to Braegger and Sons Construction in the amount of \$13,385.00. Mr. Ritchie seconded the motion. The motion carried unanimously.

C. Consideration and Award of Secondary Water Metering Phase 4 3725 South 1900 West Project. Mr. Zito made a motion to award the Secondary Water Metering Phase 4 3725 South 1900 West Project to Braegger and Sons Construction in the amount of \$40,500.00. Mr. Adams seconded the motion. The motion carried unanimously.

D. Consideration and Award of Secondary Water Metering Phase 4 2400 West 4200 South Project. Mr. Ritchie made a motion to award the Secondary Water Metering Phase 4 2400 West 4200 South Project to Braegger and Sons Inc. in the amount of \$15,680.00. Mr. Zito seconded the motion. The motion carried unanimously.

E. Consideration of Hiring Water Education and Enforcement Employee. Mr. Banks said the District has hired an employee for multiple water seasons for water education and enforcement. Mr. Banks said it has been successful and would like to continue having the seasonal employee.

Mr. Newman made a motion to hire a water education and enforcement employee. Mr. Adams seconded the motion. The motion carried unanimously.

F. Consideration of 2023-2024 URS Contribution Rates for Tier 1 and Tier 2 Employees. Mr. Banks said URS employer contribution rates went down last year and stayed at that rate for this year.

Mr. Newman made a motion to approve the 2023-2024 URS Contribution Rates for Tier 1 and Tier 2 employees. Mr. Zito seconded the motion. The motion carried unanimously.

G. Consideration of 2023-2024 PEHP Insurance Rates. Mr. Banks said medical insurance rates increased by 3.5%. Mr. Banks said dental insurance and Opticare rates stayed the same as last year.

Mr. Adams made a motion to approve the 2023-2024 PEHP insurance rates. Mr. Newman seconded the motion. The motion carried unanimously.

H. Consideration of Agreement for Lease of Water Shares. Mr. Banks said the District owns 21.5 shares of Wilson Irrigation Company stock in the south branch. Mr. Ronald Stratford is on the south branch of the Wilson Canal and would like to lease the shares for the 2023 irrigation season.

Mr. Zito made a motion to approve the Agreement for Lease of Water Shares of Wilson Irrigation Company. Mr. Ritchie seconded the motion. The motion carried unanimously.

I. Consideration of Proposed Assessment Rate Structure for 2023. Mr. Banks said the District is allowed to increase assessment rates by no more than 10% per year for meters.

Mr. Banks said one proposal would be to implement a 10% increase to address the increase in cost of water. Mr. Banks said the water cost increases have been relatively small so the charge for water to District water users has been the same since 2020. Mr. Banks said the cost per share for D&WCCC stock went from \$250/share to \$260/share in 2022. Mr. Banks said in this first proposal there would be a 2.75% increase in water cost and operation and maintenance, and 7.25% would go toward meter installation with this option.

Mr. Banks said the second proposal would be the smallest possible increase in assessment rates while still covering operating costs for the District. Mr. Banks said it would be a total of 3.5% increase, with 1% going toward meter installation and 2.5% going toward water and operation and maintenance.

Mr. Banks said the third proposal relates to increased operation and maintenance charges related to connection size. Mr. Banks said the cost difference between service sizes is even more obvious given the difference in smaller meter prices versus larger meter prices. Mr. Banks said District water users currently pay the same operation and maintenance charge regardless of service size even though parts for larger services cost more. Mr. Banks said there would be a 2% increase in water costs and 8% in operation and maintenance with no increase in meter installation and replacement with this option.

Mr. Banks said rate increases the last two years have gone strictly to the meter installation account. Mr. Ritchie cautioned increasing the meter account funds too quickly before replacement has even started. Mr. Banks said the funds going into the meter account are for installation as well as replacement, and starting in 2025 the District will start making bond payments from the meter account. Mr. Banks said his recommendation would be to make increases and adjustments based on service size. Mr. Banks said the overwhelming majority of services in the District are 1".

Mr. Zito made a motion to approve a 10% assessment rate increase for 2023 which includes an adjustment to O&M based on connection size. Mr. Ritchie seconded the motion. The motion carried unanimously.

J. Consideration of Progress Payment for Secondary Water Metering Project Phase 4. Mr. Banks said Poulsen Construction is moving along, although weather has impacted their progress. Mr. Banks said they have installed approximately 300 meters so far.

Mr. Zito asked how long customers will be out of water during meter installation. Mr. Banks said they are hoping areas will only need to be shut off for 2-3 days during installation, but some areas may require more time due to the placement of valves to isolate water lines. Mr. Banks said there have been some challenges with brick mailboxes and concrete in park strips.

Mr. Newman made a motion to approve a progress payment for the Secondary Water Metering Project Phase 4 in the amount of \$109,221.50 to Leon Poulsen Construction. Mr. Adams seconded the motion. The motion carried unanimously.

K. Consideration of Progress Payment for Secondary Water Valve Replacement Project. Mr. Banks said the valve replacement project went really well. Mr. Banks said the contractor is waiting on asphalt to patch the road.

Mr. Adams made a motion to approve a progress payment for the Secondary Water Valve Replacement Project in the amount of \$127,081.50 to Braegger and Sons Inc. Mr. Zito seconded the motion. The motion carried unanimously.

L. Consideration of Progress Payment for 3725 South 1900 West Main Line Replacement Project. Mr. Newman made a motion to approve a progress payment for the 3725 South 1900 West Main Line Replacement Project in the amount of \$116,276.12 to Braegger and Sons Construction. Mr. Ritchie seconded the motion. The motion carried unanimously.

M. Consideration of Progress Payment for 2275 West 6000 South Main Line Replacement Project. Mr. Banks said this project is complete except for the asphalt patching.

Mr. Zito made a motion to approve a progress payment for the 2275 West 6000 South Main Line Replacement Project in the amount of \$52,370.08 to Braegger and Sons Construction. Mr. Adams seconded the motion. The motion carried unanimously.

N. Consideration of Progress Payment for 2400 West 4200 South Main Line Replacement Project. Mr. Newman made a motion to approve a progress payment for the 2400 West 4200 South Main Line Replacement Project in the amount of \$60,837.05 to Braegger and Sons Inc. Mr. Zito seconded the motion. The motion carried unanimously.

O. Consideration of Progress Payment for Secondary Water Metering Phase 4 3725 South 1900 West Project. Mr. Banks said this is a progress payment for the previously awarded project. Mr. Banks said they are about halfway done.

Mr. Zito made a motion to approve a progress payment for the Secondary Water Metering Phase 4 3725 South 1900 West Project in the amount of \$22,491.25 to Braegger and Sons Construction. Mr. Newman seconded the motion. The motion carried unanimously.

V. REPORTS FROM MANAGER AND TRUSTEES.

A. Utah Water Law and UWUA Workshop – March 20-22, 2023. Mr. Banks said the water law meeting was good. Mr. Banks said the workshop had a lot of interesting topics and was really good. Chair Ohlin said there was a lot of discussion on the Great Salt Lake this year.

B. UGFOA Spring Conference – April 12-14, 2023. Mr. Banks said it was a good conference. Mr. Banks said he earned 16 credits toward the State Auditor’s requirements.

C. Manager & Trustees Reports. Mr. Banks said water will be turned on May 1st for the District system and May 4th for the Weber Basin West Haven system.

Mr. Banks said as of April 18th, water is being released from Echo because of the run-off being forecast. Mr. Banks said the Weber River Basin snow-water equivalent is 232% of median. Mr. Banks said Weber County was moved to the “no drought” category as of April 11th. Mr. Banks said the categories are very dynamic and only show current drought conditions.

Mr. Banks said there are approximately 1,000 properties within District boundaries that do not have a secondary water connection, although there may come a time in the future when they will be required to use secondary water rather than culinary water to irrigate landscape.

D. Review of Monthly Bank Statements and Cancelled Checks. Mr. Newman said the audit committee, consisting of himself, Mr. Banks, and Ms. Toupin, met April 18, 2023, and reported no problems or issues with the monthly bank statements, credit card statements, and cancelled checks.

VI. APPROVAL OF FINANCIAL REPORTS.

A. Monthly Financial Report. Mr. Adams made a motion to approve the monthly financial report. Mr. Newman seconded the motion. The motion carried unanimously.

B. 1st Quarter Financial Report. Mr. Ritchie made a motion to approve the 1st quarter financial report. Mr. Zito seconded the motion. The motion carried unanimously.

VII. APPROVAL OF CHECKS.

A. Current Checks. Mr. Newman made a motion to approve the checks for April 19, 2023. Mr. Adams seconded the motion. The motion carried unanimously.

VIII. ADJOURNMENT. Mr. Newman made a motion to adjourn at 6:03 p.m. Mr. Adams seconded the motion. The motion carried unanimously.

Minutes Approved

Mark Ohlin, Chair

Recording Secretary