

MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE SOUTH DAVIS WATER DISTRICT HELD MAR. 13, 2024 AT THE DISTRICT OFFICE LOCATED AT 407 WEST 3100 SOUTH, BOUNTIFUL, UTAH

Trustees Present:

Ronald Mortensen	Chairman
Kathy Thurston	Trustee
Elaine Oaks	Trustee

Also present:

Jake Ferguson	Manager
Tracie James	District Clerk
Grant Jones	North Canyon Water Shareholder (CCNC Preserve Trust)
Richard Clark	North Canyon Water Shareholder (for Charlynn Mabey Clark)

The meeting was called to order by Trustee Mortensen at 4:30 p.m., after which he welcomed all those present.

Public Comment Period:

There were no members of the public present.

Minutes of Previous Meeting:

Trustee Thurston moved that the meeting minutes from February 14, 2024 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 February was reviewed. Trustee Mortensen asked for clarification on item 877 which was the reimbursement to the State of grant money in the amount of \$250,470.50. Mr. Ferguson explained that due to the Board deciding to postpone the installation of secondary meters, some materials were returned to suppliers, therefore the District had to return grant money received from the State to pay for those materials. He further noted that the District will be getting reimbursed 70% for the cost of the metering work that has been done; however, due to the State procedures the District had to return the full amount and then will receive the reimbursement for work done in separate transactions. Trustee Oaks moved that the expenses for February be ratified and approved. Trustee Thurston seconded the motion. The motion carried with Trustees Mortensen, Thurston and Oaks voting "aye".

Meet with Shareholders of the North Canyon Water Company:

Kathy Thurston, Trustee for the South Davis Water District, motioned to open the shareholder's meeting of the North Canyon Water Company. Elaine Oaks, Trustee for the South Davis Water District, seconded the motion. The motion carried unanimously. Mr. Ferguson, President of the North Canyon Water Company, called the meeting to order and welcomed all those present.

Stockholders present were those who are Trustees and employees of the South Davis Water District-Ron Mortensen, Kathy Thurston, Elaine Oaks, Jake Ferguson and Tracie James-along with Grant Jones representing CCNC Preserve Trust. Stockholders attending the meeting comprised 83.46% of the stock, making the meeting official. Richard Clark was also present, representing Charlynn Mabey Clark who owns 3 shares.

Minutes of the previous North Canyon Water Company meeting held March 9, 2022, were presented. There were no questions or changes.

Mr. Ferguson reported that the State of Utah may start requiring North Canyon Water Company to report the amount of water being used due to the Great Salt Lake initiative.

Mr. Ferguson presented a map showing the two locations of the points of diversion for the North Canyon Water rights for informational purposes. These water rights are surface water rights constituting 15.25 cubic feet per second. The creek does not currently produce that much water according to Mr. Ferguson. Mr. Ferguson reported that the water rights have a priority date of 1849. The North Canyon Water Company does not have any ground water rights.

Mr. Ferguson reported that there were a few new applications and approvals in 2021 and 2022 for ground water rights up North Canyon. Mr. Ferguson will research this further and report his findings at a later date.

Ms. James presented the financial statement showing the disbursements during the past 2 years. The cash balance as of March 1, 2024 is \$95.71. North Canyon Water Company did not make any assessments during the previous two years. \$20.00 was spent during the last two years, which was paid to the State of Utah to renew the company name at \$10.00 per year.

Mr. Ferguson declared nominations be taken for the election of officers. Mr. Jones motioned that the officers for the North Canyon Water Company stay the same as they currently are, which is Jake Ferguson as President/Water Master, Tracie James as Secretary/Treasurer and Robert Mabey, Brad Hansen and Grant Jones as Board members. Elaine Oaks, Trustee for the South Davis Water District, seconded the motion. The motion passed unanimously.

Mr. Jones asked how he could use his water shares to divert the water to his property. Mr. Clark would also like to see what it would take for him to be able to use his wife's shares. Mr. Ferguson will research this further and report back to both Mr. Jones and Mr. Clark.

There being no further business, Elaine Oaks, Trustee for the South Davis Water District motioned to adjourn the meeting of the North Canyon Water Company. Kathy Thurston, Trustee for the South Davis Water District seconded the motion. The motion carried unanimously. The meeting of the North Canyon Water Company adjourned at 5:28 p.m. and the regular meeting of the South Davis Water District was resumed.

Discuss and Possibly Consider Adopting a Water Reuse Authorization Agreement with the South Davis Sewer District:

Mr. Ferguson reported that Woods Cross City has created a coalition with water providers in the area to treat sewer water for the refineries to use because of the subsidence Woods Cross City has experienced due to ground water levels dropping. The State Division of Water Rights is requiring a reuse application and agreement with water providers in the area to allow the water to be reused for this purpose. The Board discussed how the agreement is very binding, with no escape clause. After some discussion, the Board decided not to sign the agreement at this time.

Manager's Report:

Construction and Maintenance Projects:

Mr. Ferguson reported that the District was awarded \$199,000 in CDBG grant money to replace the main line and service lines on 3000 South from 500 West to 575 West.

Mr. Ferguson reported that there will be some road work done near 2150 S. Highway 89 in 2025 or 2026. It may be beneficial for the District to replace the water line in that area while the highway is closed.

Mr. Ferguson reported that the District plans to replace a portion of main line pipe and install a valve on 2900 S. this year.

Mr. Ferguson reported that the District had the culinary tanks cleaned and inspected. The tanks look good except for the 3A tank lid, where there are some cracks present. Mr. Ferguson stated that he would like to drain the tank and have a structural engineer inspect it further.

Mr. Ferguson reported that Senate Bill 125 had some language added that did not read in the District's favor. For the time being, the District is still required to install secondary water meters.

Mr. Ferguson reported that the State was coming to the District the next day to collect water samples for additional PFAS testing.

Mr. Ferguson reported that the District's 2023 Consumer Confidence Report is completed and available in office and online to the public.

Mr. Ferguson reported that the current snowpack for the area that serves the District is at 129% of normal.

Mr. Ferguson reported that he will be out of town for the next board meeting on April 10, 2024 and proposed the idea of changing the Board meeting to Wednesday, April 17, 2024 at 4:30 p.m. The Board agreed; therefore, next month's board meeting will be held on April 17, 2024.

There being no further business the meeting adjourned at 6:37 p.m.


District Clerk