

SOUTH DAVIS WATER DISTRICT

BOARD OF TRUSTEES MEETING MINUTES

Wednesday, June 11, 2025

Date: Wednesday, June 11, 2025

Time: 4:30 p.m.

Location: District Office, 407 W. 3100 S., Bountiful, Utah

BOARD MEMBERS PRESENT:

- Ronald Mortensen, Chair
- Kathy Thurston, Trustee
- Elaine Oaks, Trustee

DISTRICT STAFF PRESENT:

- Jake Ferguson, District Manager
- Tracie James, District Clerk

OTHERS PRESENT:

- Nate Davis, Independent Auditor, Haynie & Company

CALL TO ORDER

Chairman Ronald Mortensen called the meeting to order at 4:30 p.m. In compliance with Utah's Open Meeting Laws, the meeting was recorded in its entirety as a public record.

AGENDA ITEMS

1. INDEPENDENT AUDITOR'S REPORT ON 2024 AUDIT

Nate Davis from Haynie & Company presented the District's 2024 financial audit report. Key findings:

- **Clean Opinion:** The financial statements present fairly in accordance with generally accepted accounting principles.
- **Two Minor Findings:**
 - Capital outlay budgeting discrepancy requiring proper budget categorization going forward
 - Fraud risk assessment checklist item regarding formal internal audit committees (common issue for small districts)
- **Recommendation:** District to amend budget by year-end to reflect actual capital expenditures rather than depreciation expense

Mr. Davis noted the District's financial management as exemplary, with minimal audit adjustments required and reported that there were no difficulties or disagreements when working with District staff during the audit.

2. PUBLIC COMMENT PERIOD

No public present for comment.

3. BOARD MEMBER REPORTS

Trustee Oaks reported on property rezoning at Boulton Way and Orchard from R-4 to R-13. The property is within the District's irrigation service area only, with culinary service provided by Bountiful City. Development would result in loss of irrigation water rights (with a commensurate reduction in irrigation water use) under District policy.

Chairman Mortensen reported:

- State Representative Casey Snyder now in House leadership
- Bountiful City power rates increasing 3% and water rates increasing 20%
- Weber Basin tour scheduled for June 24, 2025

4. APPROVAL OF MINUTES

MOTION: Trustee Thurston moved to approve the minutes of the May 14, 2025 board meeting. Trustee Oaks seconded the motion. The motion carried unanimously with Trustees Mortensen, Thurston and Oaks voting "aye".

5. APPROVAL OF EXPENSE REPORT

The Board reviewed the May 2025 expense report, including questions regarding various expenditures such as gopher eradication services, equipment purchases, and audit progress payment.

MOTION: Trustee Oaks moved to approve the May 2025 expense report as presented. Trustee Thurston seconded the motion. The motion carried unanimously with Trustees Mortensen, Thruston and Oaks voting "aye".

6. REVIEW OF DISTRICT VULNERABILITIES AND OPPORTUNITIES

This item was addressed through the audit presentation and findings.

7. CERTIFIED PROPERTY TAX RATE

The Board reviewed the state-certified property tax rate of 0.000120 for 2025, representing a decrease from the previous year's rate of 0.000123 due to increased property values. The projected budgeted revenue for 2025 is \$107,489.

MOTION: Trustee Oaks moved to pass Resolution 85 accepting the certified property tax rate of 0.000120 as the District's 2025 tax rate. Trustee Thurston seconded the motion. The motion carried unanimously with Trustees Mortensen, Thurston and Oaks voting "aye".

8. MANAGER'S REPORT

District Manager Jake Ferguson provided updates on the following items:

A. Secondary Metering Exemption Application

- Application has completed preliminary analysis by Division of Water Rights
- Now awaits final approval from State Engineer Teresa Wilhelmsen
- Preliminary analysis concurred with District's position

B. 2900 S. CDBG Project Bidding

- Allied Underground Water selected as lowest qualified bidder
- Contractor properly vetted with good references and experience
- Substantial savings achieved due to competitive market conditions

C. PFAS Updates

- EPA maintained minimum control level at 4 parts per trillion for contaminants found at Val Verda well
- District levels just above 4 ppt
- Potential solution: 1,000-foot dedicated pipeline (\$300,000-\$400,000 estimated cost)
- Pursuing state funding; compliance deadline extended to 2030
- Expected PFAS lawsuit settlement of approximately \$200,000 in 2025

D. Current Water Usage and Conservation

- Current usage approximately 15% higher than historical patterns
- Board approved sending conservation reminder postcards to customers in July
- Teacup levels adequate but groundwater concerns persist

E. Financial Review

- District maintains positive cash flow since 2014
- Several budget line items running high due to early-year expenses (PRV maintenance, computer software renewals, property spraying, training)
- Engineering expenses related to secondary metering exemption application

F. 2025 Board Election Update

- Only incumbent candidates Ronald Mortensen and Kathy Thurston filed for two open positions; therefore no primary election is required
- If no write-in candidates declare by September 2, 2025, the District's November election will be also cancelled
- Potential savings of approximately \$6,000

9. CLOSED SESSION

No closed session was held.

10. ADJOURNMENT

MOTION: Having completed all business, Chairman Mortensen declared the meeting adjourned.

Time: Meeting adjourned at approximately 5:30 p.m.

A handwritten signature in cursive script, reading "Tracie James", is written over a horizontal line.

Tracie James, District Clerk