

Roy Water Conservancy District

Minutes of Board Meeting

April 13, 2022

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 13, 2022, at 5:00 p.m.

Present: Mark W. Ohlin, Chair; Gary L. Newman, Vice-Chair; Chad Zito 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 9, 2022, board meeting as written. Mr. Newman seconded the motion. The motion carried unanimously.

IV. BUSINESS.

A. Oath of Office – Gary S. Adams. As Mr. Adams was not in attendance, this item was postponed until the following month.

B. Consideration of Hiring Water Education and Enforcement Employee. Mr. Banks said this employee has been helpful to the District over the years in helping customers understand water restrictions and conservation.

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

C. Consideration of 2022-2023 URS Contribution Rates for Tier 1 and Tier 2 Employees. Mr. Banks said this is the first year in a while that there has been a decrease (0.5%) in the required contribution rate for Tier 1 and Tier 2 employees. Mr. Banks said the Tier 1 rate is 17.97% for pension and an additional 3.24% contributed by the District to employees' 401k accounts. Mr. Banks said Tier 2 has decreased to 16.19% for the defined contribution and hybrid pension. Mr. Banks said the Trustees are being asked to consider contributing an additional 3.24% to Tier 2 employees.

Mr. Newman made a motion approve the 2022-2023 URS Contribution Rates for Tier 1 and Tier 2 employees and begin to contribute an additional 3.24% to 401k for Tier 2 employees. Mr. Ritchie seconded the motion. The motion carried unanimously.

D. Consideration of 2022-2023 PEHP Insurance Rates. Mr. Banks said PEHP medical insurance rates will increase by 5.8%, and PEHP dental insurance will increase by 1%. Mr. Banks said the Opticare vision insurance rates will stay the same.

Mr. Zito made a motion to approve the 2022-2023 PEHP insurance rates. Mr. Newman seconded the motion. The motion carried unanimously.

E. Consideration of Reviewed Personnel Policies and Procedures. Mr. Banks said the District Board is required by statute to review its personnel policies and procedures annually to make sure the policies are in conformance with state and federal law.

Mr. Banks said a change was made to employee travel reimbursement meal per diem, changing the structure from 6 tables to 5. Mr. Banks said mileage reimbursement for private vehicles increased from 56 cents per mile to 58.5 cents per mile for employees.

Mr. Banks proposed a change to the annual CPI adjustment. Mr. Banks said current policy has a cap on the CPI at 2.5%. Mr. Banks said the proposed change is to make the CPI adjustment to not exceed the published CPI.

Mr. Banks said the language to codify the District contribution to Tier 2 employee 401k accounts as approved in the previous motion will be added to the policy.

Mr. Banks said making a change to CPI adjustment necessitates a change to increase the percentage an employee can receive if promoted.

Mr. Banks said a new commuting time policy is being proposed due to a current District employee contemplating purchasing property well outside of District boundaries and realizing the District has no formal commuting time policy. Mr. Banks said there is not currently a policy requiring an on-call employee to live within a certain distance from the District. Mr. Banks said the proposed policy uses a commuting time calculation rather than a commuting distance calculation. Mr. Banks said the proposed policy states whenever an employee is on-call, they must be within a commuting time of 30 minutes to a central location. Mr. Banks said a central location was determined based on the entire boundary of the District's system and the entire boundary of Weber Basin's system. Mr. Banks said the central location is defined in the proposed policy as the intersection of 4000 South and 3500 West. Mr. Newman asked if there was any allowance for an on-call employee getting caught in traffic to call someone else to respond. Mr. Banks said the on-call employee is expected to communicate with other District field personnel as needed. Mr. Banks said commuting time is not currently a concern but should be made policy in order to help District employees make informed decisions in the future. Chair Ohlin asked if something should be added to the policy requiring good communication between the on-call employee and other field personnel. Mr. Banks said there might already be an unwritten system of communication between employees regarding emergencies after-hours, but he will talk to them and put the system into policy.

Mr. Newman made a motion to accept the reviewed Personnel Policies and Procedures with the changes as indicated except for the commuting time policy, which will be revised after discussion with employees and presented to the Board for approval at a future date. Mr. Zito seconded the motion. The motion carried unanimously.

F. Consideration of Resolution 2022-01 Amended Rules and Regulations. Mr. Banks said Attorney Rose crafted a policy concerning the removal of existing petitions and contracts from parcels.

Mr. Zito made a motion to approve Resolution 2022-01 Amended Rules and Regulations with the amendments as discussed. Mr. Ritchie seconded the motion. The motion carried unanimously.

G. Consideration of Agreement for Lease of Water Shares. Mr. Banks said Jade Hadfield was interested in leasing the District's Wilson Irrigation Company shares for the 2022 water season. Mr. Banks said an agreement was drafted and agreed upon by all parties. Mr. Banks said Vern Holmes, secretary of Wilson Irrigation Company, told Mr. Banks they would be unable to lease the District shares to Mr. Hadfield because they are designated as shares of the south branch and Mr. Hadfield's point of diversion is in the north branch. Mr.

Holmes told Mr. Banks Wilson Irrigation Company would allow it this year because of Mr. Holmes' mistake, but going forward, it will not be allowed. Mr. Banks said he will ask for a map from Wilson Irrigation Company to determine what area of their system is considered the south branch.

Mr. Newman made a motion to approve the Agreement for Lease of Water Shares for 2022. Mr. Ritchie seconded the motion. The motion carried unanimously.

H. Consideration of Proposed Assessment Rate Structure for 2022. Mr. Banks said a maximum increase of 10% is allowed, and the percentage approved by the Board this year will go towards the meter fund. Mr. Banks said 9% was approved last year, which yielded approximately \$180,000. Mr. Banks said an additional increase of 10% would yield approximately \$200,000, for a total of \$380,000 in the meter fund account. Mr. Banks said the District may have as much as a \$950,000 per year loan payment in the future. Mr. Banks said future increases will be required until the District can fund a loan or bond out of the meter fund account.

Mr. Zito made a motion to approve a 10% assessment rate increase for 2022. Mr. Ritchie seconded the motion. The motion carried unanimously.

I. Consideration of Secondary Water Metering Collaboration Agreement. Mr. Banks said negotiations are on-going regarding a collaboration of entities coming together for group buying power for meters and to create a pool of contractors to minimize competition between entities. Mr. Banks said he expects there will be a few more meetings to work out the agreement.

Mr. Newman made a motion to authorize the General Manager to negotiate and sign a final Secondary Water Collaboration Agreement. Mr. Zito seconded the motion. The motion carried unanimously.

J. Consideration of Secondary Water Metering Grant and Loan Application. Mr. Banks said the project cost will be a little over \$14.2 million and will maximize the \$10 million in grants from the State of Utah based on the 70/30 match. Mr. Banks said the loan application covers 85% of the 30% the District has to pay. Mr. Banks said the District would have to come up with \$642,857 outside of the grant and loan and have it spent by 2026. Mr. Banks said this could be achieved by pulling back slightly on upcoming capital projects. Mr. Banks said the loan amount would be over \$3.6 million, with the proposed assessment increases being used to pay off the loan.

Mr. Banks said the project will start in the southwest corner of the District and move northeast, with the intention of completing meter installation in the lower system (below the railroad tracks) before moving to the upper system. Mr. Banks said large meters will be installed first in order to maximize the grant money due to the high cost of those meters.

Mr. Newman made a motion to authorize the submission of the Secondary Water Metering Grant and Loan Application and authorize either the Chair of the Board of Trustees or the General Manager to sign the documents. Mr. Zito seconded the motion. The motion carried unanimously.

K. Consideration of Resolution 2022-02 Amending 2022 Budget. Mr. Banks said the District is going to need to start buying meters and parts as soon as possible due to a limited supply of materials and increasing prices. Mr. Banks said the District is allowed by Utah Code to increase the budget by resolution. Mr. Banks is proposing to move \$1.5 million from the reserve funds to the new budget line item for the secondary water metering project. Mr. Banks does not anticipate spending that much money immediately, and purchases will still need to be approved by the Board.

Mr. Zito made a motion to approve Resolution 2022-02 amending the 2022 Budget. Mr. Newman seconded the motion. The motion carried unanimously.

L. Consideration of Resolution 2022-03 Declaring the Severity of the 2022 Drought. Mr. Banks said the resolution from last year has been edited to update the drought intensity to “severe” and the allocation reduction from D&WCCC of 40%.

Mr. Newman made a motion to approve Resolution 2022-03 Declaring the Severity of the 2022 Drought. Mr. Zito seconded the motion. The motion carried unanimously.

M. Consideration of Park43 Townhomes Development Agreement. Mr. Banks said this development is located at 5445 South 4300 West. Mr. Banks said most of the parcel has not had an existing water allotment, so the developer will need to bring either ½ share of D&WCCC stock or ½ share of Wilson Irrigation stock. Mr. Banks said the existing service connection will be modified to install a 1” meter.

Mr. Newman made a motion to approve the Park43 Townhomes Development Agreement. Mr. Zito seconded the motion. The motion carried unanimously.

N. Consideration of Glen Jenkins Subdivision Development Agreement. Mr. Banks said this property is at 5713 South 3100 West and has an existing water allotment. Mr. Banks said there will be seven total lots, including the existing home.

Mr. Zito made a motion to approve the Glen Jenkins Subdivision Development Agreement. Mr. Newman seconded the motion. The motion carried unanimously.

O. Consideration of Highgate Cove Development Agreement. Mr. Banks said this property is at approximately 4830 South Midland Drive. Mr. Banks said the development is for 34 single-family homes. Mr. Banks said the parcel has never had an existing water allotment, so the developer will need to bring 2 ½ shares of D&WCCC stock or 4 shares of Wilson Irrigation stock to the District for the development. Mr. Newman and Mr. Zito expressed concern about whether Wilson Irrigation stock turned over to the District needs to be designated south branch stock. Mr. Banks said he thinks the stock is designated as south branch stock once it is turned over to the District, but he will contact Wilson Irrigation for clarification.

Mr. Newman made a motion to approve the Highgate Cove Development Agreement. Mr. Zito seconded the motion. The motion carried unanimously.

P. Public Comments. No members of the public were present.

V. REPORTS FROM MANAGER AND TRUSTEES.

A. Utah Water Law and UWUA Workshop, March 21-23, 2022. Mr. Banks said the meetings were good and there were a lot of good choices for the breakout sessions. Mr. Newman said there was high attendance at the UWUA Workshop. Chair Ohlin said he enjoyed the workshop.

B. Manager & Trustees Reports. Mr. Banks said as of April 12th, East Canyon was 66% full, Echo was 45% full, and the snow-water equivalent was 66% of normal. Mr. Banks said 99% of the state is in severe to exceptional drought condition. Mr. Banks said as of April 1st, D&WCCC had 28,882 acre-feet in storage in the reservoirs.

The Board agreed to hold the annual Operations Review on April 20th at 10 a.m.

C. Review of Monthly Bank Statements and Cancelled Checks. Mr. Newman said the audit committee, consisting of himself, Mr. Banks, and Ms. Toupin, met April 12, 2022, 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. Newman made a motion to approve the monthly financial report. Mr. Zito seconded the motion. The motion carried unanimously.

B. 1st Quarter Financial Report. Mr. Zito made a motion to approve the 1st quarter financial report. Mr. Newman 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 13, 2022. Mr. Zito seconded the motion. The motion carried unanimously.

VIII. ADJOURNMENT. Mr. Zito made a motion to adjourn at 6:14 p.m. Mr. Newman seconded the motion. The motion carried unanimously.

Minutes Approved

Mark W. Ohlin, Chair

Recording Secretary