

# *Roy Water Conservancy District*

## **Minutes of Board Meeting**

June 5, 2024

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, June 5, 2024, at 5:00 p.m.

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

**Excused:** Gary S. Adams, Trustee.

**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 Mr. Ritchie.

### **III. APPROVAL OF MINUTES.**

**A. Approval of May 2024 Board Meeting Minutes.** Mr. Zito made a motion to accept and approve the minutes of May 8, 2024, board meeting as written. Mr. Newman seconded the motion. The motion carried unanimously.

**B. Approval of Public Hearing Minutes for Increasing Contract Water Assessments.** Mr. Zito made a motion to accept and approve the public hearing minutes for Increasing Contract Water Assessments as written. Mr. Newman seconded the motion. The motion carried unanimously.

**C. Approval of Public Hearing Minutes for the Allotment of Water.** Mr. Newman made a motion to accept and approve the public hearing minutes for the Allotment of Water as written. Mr. Zito seconded the motion. The motion carried unanimously.

**D. Approval of Public Hearing Minutes for Levying Contract Assessments.** Mr. Zito made a motion to accept and approve the public hearing minutes for Levying Contract Assessments as written. Mr. Newman 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 of 2023 Audit Report by Child Richards CPAs and Advisors.** Ms. Moss said she enjoyed working with District staff on the audit. Ms. Moss said this year required a single audit because the District has received over \$750,000 in federal funds for the year, in addition to the regular yearly audit.

Ms. Moss said the financial statements have been audited for December 31, 2023. Ms. Moss said there were no significant difficulties encountered during the audit. Ms. Moss said in the auditor's opinion, the financial statements in the audit report are fairly presented in all material respects with respect to generally accepted

accounting principles. Ms. Moss said the audit was conducted in accordance with Government Auditing Standards.

Ms. Moss presented management's discussion and analysis, which provides a narrative for changes during the audit year, and the statement of net position. Ms. Moss went over operating revenues, operating expenses, and changes in net assets, as well as the statement of cash flows.

Ms. Moss said they are required to give an opinion on internal controls, which found no inefficiencies. Ms. Moss said they tested compliance with state compliance requirements for budgetary compliance, fraud risk assessment, tax levy revenue recognition, Public Treasurer's Bond, fund balance compliance, governmental fees, and Utah Retirement Systems. Ms. Moss said there are no concerns or findings to report.

Ms. Moss said their opinion on the single audit is that the District is in compliance with federal funds received. Ms. Moss said transactions were reviewed regarding federal grant money and had no findings to report.

Mr. Ritchie made a motion to accept the 2023 audit report by Child Richards CPAs and Advisors. Mr. Newman seconded the motion. The motion carried unanimously.

Ms. Moss was excused at 5:25 p.m.

**C. Consideration of Progress Payment for Secondary Water Metering Project Phase 5.** Mr. Zito made a motion to approve a progress payment for the Secondary Water Metering Project Phase 5 in the amount of \$86,508.90 to Post Construction. Mr. Newman seconded the motion. The motion carried unanimously.

**D. Consideration of Progress Payment for Secondary Water Metering Project Phase 6.** Mr. Ritchie made a motion to approve a progress payment for the Secondary Water Metering Project Phase 6 in the amount of \$17,499.00 to Post Construction. Mr. Newman seconded the motion. The motion carried unanimously.

**E. Consideration of Final Payment for Secondary Water Metering Project Phase 8.** Mr. Ritchie made a motion to approve the final payment for the Secondary Water Metering Project Phase 8 in the amount of \$7,712.00 to AJC Construction and Excavation. Mr. Zito seconded the motion. The motion carried unanimously.

**F. Consideration of Progress Payment for Secondary Water Metering Project Phase 9.** Mr. Zito made a motion to approve a progress payment for the Secondary Water Metering Project Phase 9 in the amount of \$117,158.75 to AJC Construction and Excavation. Mr. Newman seconded the motion. The motion carried unanimously.

**G. Consideration of Cost Sharing Agreement with Davis and Weber Counties Canal Company.** Mr. Banks said D&WCCC sent a draft cost sharing agreement to the District to review for the removal of the bridge across the canal in connection with the installation of a box culvert. Mr. Banks said the work will extend to the north beyond the District's rotating screen. Mr. Banks said the District will pay for the culinary water line work required, but the cost sharing will include contractor costs for bridge removal and disposal, box culvert installation, and replacing road base, asphalt, and curb and gutter for the finished road. Mr. Banks said a future budgeted amount of \$125,000 should be sufficient for the District's portion of the agreement. Mr. Banks said the District will most likely have the entire access road repaved. Mr. Banks said access to the District's offices has been discussed and the bridge work may be completed over a weekend during the winter.

Mr. Banks said the District's attorney has reviewed and commented on the agreement and returned it to D&WCCC's attorney.

Mr. Ritchie made a motion to approve the Cost Sharing Agreement with Davis and Weber Counties Canal Company subject to the District attorney's final review and approval. Mr. Zito seconded the motion. The motion carried unanimously.

**H. Consideration and Award of Secondary Water Metering Project Phase 10.** Mr. Banks said AJC Construction and Excavation was the low bidder.

Mr. Newman made a motion to award the Secondary Water Metering Project Phase 10 to AJC Construction and Excavation in the amount of \$170,410.00. Mr. Zito seconded the motion. The motion carried unanimously.

**I. Consideration of 2024 Certified Tax Rate.** Mr. Banks said the preliminary tax rate as of June 5, 2024, was 0.000045, which would result in approximately \$144,000 in ad valorem tax revenue. Mr. Banks said the rate may change slightly when it is finalized by Weber County later in the month.

Mr. Newman made a motion to approve the 2024 Certified Tax Rate. Mr. Zito seconded the motion. The motion carried unanimously.

## **V. REPORTS FROM MANAGER AND TRUSTEES.**

**A. Manager & Trustees Reports.** Mr. Banks attended the Utah Growing Water Smart workshop at USU. Mr. Banks said it will precipitate better communication and collaboration between entities.

Mr. Banks said the District has spent about \$10.7 million of grant and bond funds on the meter project, and 5,110 meters pits have been installed.

Mr. Zito had an inquiry from someone living in Foxglen Subdivision about receiving secondary water. Mr. Banks said the subdivision was developed without secondary water infrastructure, and the area being asked about is not within District boundaries. Mr. Banks said annexation, infrastructure construction, and water shares would have to be paid for by the customers requesting service, as well as the yearly assessment. Mr. Banks said annexation costs could be approximately \$5,000 or more, and would depend on how many properties are requesting annexation. Mr. Banks said infrastructure costs for 20 lots are estimated to be \$210,000, and water shares would have to be brought to the District. Mr. Banks said the District would need 3 D&WCCC shares, which he has heard are currently being sold for as much as \$70,000 per share, or at least 5 Wilson Irrigation Company shares. Mr. Banks said the total estimated cost per lot for 20 lots would be approximately \$21,000 per lot. Mr. Banks said it would potentially take thousands of years for the District to recoup funds if it assumed the costs, and possibly hundreds of years for the residents of an area requesting service. The Board agreed it would not be cost-effective for the District or residents outside District boundaries.

Mr. Banks said as of yesterday, both East Canyon and Echo were 100% full, and the Weber River Basin water year-to-date precipitation was 115% of median.

**B. Review of Monthly Bank Statements and Cancelled Checks.** Mr. Ritchie said the audit committee, consisting of himself, Mr. Banks, and Ms. Toupin, met June 3, 2024, 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. Zito made a motion to approve the monthly financial report. Mr. Ritchie seconded the motion. The motion carried unanimously.

**VII. APPROVAL OF EXPENSES.** Mr. Zito made a motion to approve expenses for June 5, 2024. Mr. Newman seconded the motion. The motion carried unanimously.

**VIII. ADJOURNMENT.** Mr. Zito made a motion to adjourn at 6:06 p.m. Mr. Newman seconded the motion. The motion carried unanimously.

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Minutes Approved

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Mark Ohlin, Chair

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Recording Secretary