

**WEBER BASIN WATER CONSERVANCY DISTRICT
 BOARD OF TRUSTEES MEETING
 THURSDAY, JUNE 29, 2023, 9:00 A.M.
 DISTRICT HEADQUARTERS**

- 1) Welcome & Pledge of AllegianceChairman Jensen
- 2) Consideration of Approval of Minutes for Regular Board Meeting and
 Hearing on Petitions for Water Contracts held May 25, 2023,
 and Orientation Meeting held May 22, 2023Chairman Jensen
- 3) Consideration of Approval of May 2023
 Financial ReportTrustee Buttschardt
- 4) Consideration of Amendment to Tentative Fiscal Year 2024 Budget.....Gen. Mgr. Paxman
 and Mgr. Bravo
- 5) Presentation Regarding District Water Rates for the Next Four Years Gen. Mgr. Paxman
 and Fin. Analyst Bateman
- 6) Consideration of Approval of Petitions for Water Contracts,
 Transfers of Water, and Water Cancellations Mgr. Searle

A. DAVIS COUNTY:

Transfers of Water

- 1) Stanton & Lisa Mathews to Paul & Wendy Marble0.8 a.f. Proj.
 West Bountiful (06-014-0078)

Cancellations of Water

- 1) Woods Cross Industrial LLC5.96 a.f. Proj.
 Woods Cross (06-430-0101)
- 2) Woods Cross Industrial LLC4.68 a.f. Proj.
 Woods Cross (06-430-0102)
- 3) Woods Cross Industrial LLC5.07 a.f. Proj.
 Woods Cross (06-430-0103)
- 4) Woods Cross Industrial LLC1.02 a.f. Proj.
 Woods Cross (06-430-0104)
- 5) Woods Cross Industrial LLC5.02 a.f. Proj.
 Woods Cross (06-430-0105)

B. SUMMIT COUNTY:

Petitions for New Water

- 1) Randy Moss 0.65 a.f. Dist. 4
 Kamas (KE-A-4)
- 2) Ryan & Stephanie Worlton..... 0.45 a.f. Dist. 4
 4.5 Miles NW of Smith & Morehouse (CMA-191)

- 7) Water Supply ReportMgr. Olsen
- 8) Consideration of Approval of Purchase of New Hypochlorite Generation System..... Gen. Mgr. Paxman and AGM Hess
- 9) General Manager’s ReportGen. Mgr. Paxman
- 10) Other Business
- 11) Closed Session to Discuss Sale of Real Property

**MINUTES OF A REGULAR MEETING OF THE WEBER BASIN WATER
CONSERVANCY DISTRICT BOARD OF TRUSTEES HELD THURSDAY, JUNE 29,
2023, 9:00 A.M., AT DISTRICT HEADQUARTERS**

Present:

Chairman, Marlin K. Jensen
Trustee Mark D. Anderson
Trustee Jared Andersen
Trustee Kym O. Buttschardt
Trustee Randy B. Elliott
Trustee Scott K. Jenkins
Trustee Angie Osguthorpe
Trustee Christopher F. Robinson
Trustee Paul C. Summers

Excused:

Mike Malmborg, Legal Counsel

Scott W. Paxman, General Manager/CEO
Jody Williams, Legal Counsel

Brittney Bateman, Fin. Analyst
Calysta Bravo, Fin. Manager
Suzy Eppens, Contracts Administrator
Darren Hess, Assistant General Manager
Josh Hogge, Mgr. of M&I
Shane McFarland, Mgr. of Engineering
Brad Nelson, Assistant General Manager
Jon Parry, Assistant General Manager
Kendall Searle, Mgr. of Administration
Sam Sorensen, Mgr. of Maintenance
Kathy Wood, Mgr. of Human Resources

Alan McKean, David Evans & Associates

I

WELCOME & PLEDGE OF ALLEGIANCE

Chairman Jensen welcomed all in attendance. He then led the group as they recited the Pledge of Allegiance.

II

CONSIDERATION OF APPROVAL OF MINUTES

Chairman Jensen presented the minutes of the regular Board Meeting held May 25, 2023, Hearings held May 25, 2023, and Orientation Meeting held May 22, 2023 for review and approval. There were no additions or corrections.

Motion was made by Trustee Jenkins, seconded by Trustee J. Andersen and the motion carried unanimously, approving the minutes as presented.

III

**CONSIDERATION OF APPROVAL OF MAY
2023 FINANCIAL REPORT**

Trustee Buttschardt invited Mgr. Bravo to present the May 2023 financial report. Mgr. Bravo reviewed the revenues and expenses and the year-to-date budget verses the fiscal year budget. She stated everything is falling right in line with what was expected with the exception of the capital projects portion, again due to delayed projects.

Mgr. Bravo then presented the source and use statement. She explained the statement in detail and displayed various slides showing charts and graphs providing additional information on revenue, expenses, reserves, etc. Questions from the Board were then answered.

Trustee Buttschardt motioned to approve the financials as presented, and the motion was seconded by Trustee Summers. The vote was unanimous approving the May 2023 Financial Report as presented.

IV

CONSIDERATION OF AMENDMENT TO TENTATIVE FISCAL YEAR 2024 BUDGET

Mgr. Bravo stated home values were received by the counties and came in a little higher than anticipated. She said based on the final numbers, the budget will be \$2.5MM higher than anticipated previously. The additional money will be transferred into the Capital Assets Repair and Replacement (CARR) budget and less financing will be needed from the reserve funds.

Mgr. Bravo shared a table showing the average home values. She said the total average home value of the District's service area is \$824,250.00. Mgr. Bravo explained this average does not include Box Elder County as it is such a small area, and it skews the average significantly.

Discussion continued regarding the fluctuating values in each county. Mgr. Bravo explained the certified tax rate goes down as home values goes up. She stated the certified tax rate is set based on what was collected the previous year and ensures the same would be collected for the following year.

Chairman Jensen asked for public comment, and there was no comment.

Trustee Robinson asked how much tax revenue the District would collect with this increase. Mgr. Bravo answered \$22MM total. Trustee J. Andersen also commented that with development coming in Morgan County these values will go up as well. Discussion continued regarding the effects of increased prices of taxes as well as materials.

Gen. Mgr. Paxman commented that after this tax year, there will be opportunity to discuss year after year to determine whether to keep the statutory rate of .0002, keep the certified rate, or what other direction the District will need to take regarding the tax rate.

Mgr. Bravo said District staff recommends approval of the \$2.5MM change to the Tentative Fiscal Year 2024 Budget resulting in a total tentative budget of \$141,540,617.00.

Trustee Jenkins motioned to approve the amended Tentative Fiscal Year 2024 Budget in the total amount of \$141,540,617.00. Trustee Robinson seconded, and the vote was unanimous, approving the amended tentative budget.

V

PRESENTATION REGARDING DISTRICT WATER RATES FOR THE NEXT FOUR YEARS

Fin. Analyst Bateman stated, at the board's direction, we looked at increasing water rates so the tax payors are not bearing all the increases of future funding needs. She said last November staff presented three options for increasing rates through correcting the R&R fund, and the board preferred to move forward with a four-year increase option.

Fin. Analyst Bateman stated the four-year option will yield a 58% increase from 2024-2026. She said even with the increased revenue, the District will still bear a heavy debt load for the next ten years. Fin. Analyst Bateman then reviewed the proposed rates.

Gen. Mgr. Paxman stated Project and District 1 rates are the farthest behind in their O&M portion which is why they will see the largest increase.

Fin. Analyst Bateman answered questions from the board, and it was agreed to adjust the Untreated Municipal rates as requested by the board. The changes will be presented and taken to the August 28, 2023 hearing for approval.

Legal Counsel Williams said the Central Utah Water Conservancy District just sold the last of its Utah Lake Central Water Project water to an industrial user. She said the net present value of the

one-time development fees and capital costs was \$10,449/ac-ft and will additionally have the O&M and R&R charges each year. She stated this is comparable to the District’s projected pricing.

Fin. Analyst Bateman answered questions from the board. Chairman Jensen thanked the Trustees for the comments and questions and declared we owe it to our customers and constituents to discuss rates and their impact at length.

Fin. Analyst Bateman answered more questions from the board. She concluded by explaining the next steps, which are to have a public hearing August 28, 2023 at 6:30pm to approve the rate increase, tax increase, and budget increase.

Chairman Jensen thanked Fin. Analyst Bateman and stated we have such a value in her work at the District.

**VI
CONSIDERATION OF APPROVAL OF TRANSFER OF WATER**

Mgr. Searle presented a water transfer contract for approval and stated the historical parcel was sectioned off and needs a proportion of the water to be allocated to the newly created parcel.

A. DAVIS COUNTY

- 1) Stanton & Lisa Mathews to Paul & Wendy Marble.....0.8 a.f. Proj.
West Bountiful (06-014-0078)

Mgr. Searle recommended approval of the transfer and adoption of the following resolution.

RESOLUTION

WHEREAS, pursuant to a petition filed by Stanton & Lisa Mathews there has been allocated 2.5 a.f. acre-feet of Project water to the following described lands in Davis County, Utah, to-wit:

Parcel No. 06-014-0077, Stanton & Lisa Mathews 2.5 AF:
BEG AT A PT S 0°23'15" E 347.13 FT ALG 1/4 SEC LINE & S 89°52'45" E 829.54 FT ALG S LINE PAGES LANE & S 0°21'56" W 2312.18 FT ALG THE E LINE OF SUNNY VIEW ESTATES SUB FR CENTER SEC 13-T2N-R1W, SLM; TH S 0°21'56" W 165 FT TO THE N LINE OF A STR; TH S 89°55'45" W 149.99 FT ALG SD N LINE TO THE E LINE OF 700 WEST STR; TH N 0°21'56" E 165 FT ALG SD E LINE; TH N 89°55'45" E 149.99 FT TO THE POB. CONT. 0.57 ACRES. (WENT TO 06-014-0078)

And the orders so allocating the said water have been recorded in the office of the County Recorder of Davis County, as indicated on the foregoing property descriptions.

WHEREAS, the owners of the said lands have now made application to the District for the transfer of 0.8 acre-feet of water to be allotted from the lands above described to the following described lands in Davis County, Utah:

Parcel No. 06-014-0077, Stanton & Lisa Mathews 1.7 AF:
BEG AT A PT S 0°23'15" E 347.13 FT ALG 1/4 SEC LINE & S 89°52'45" E 829.54 FT ALG S LINE PAGES LANE & S 0°21'56" W 2312.18 FT ALG THE E LINE OF SUNNY VIEW ESTATES SUB FR CENTER SEC 13-T2N-R1W, SLM; TH S 0°21'56" W 165 FT TO THE N LINE OF A STR; TH S 89°55'45" W 149.99 FT ALG SD N LINE TO THE E LINE OF 700 WEST STR; TH N 0°21'56" E 165 FT ALG SD E LINE; TH N 89°55'45" E 149.99 FT TO THE POB. CONT. 0.57 ACRES. (WENT TO 06-014-0078)

Parcel No. 06-014-0078, Paul S & Wendy W Marble 0.8 AF:
A TRACT OF LAND SITUATE IN THE SE 1/4 OF SEC 13-T2N-R1W, SLM. BEG AT THE SE COR OF LOT 48, SUNNY VIEW ESTATES PLAT D, BEING IN THE SE 1/4 OF SEC 13-T2N-R1W, SLM; & RUN TH S 0°21'56" W 85 FT; TH S 89°55'45" W 149.99 FT; TH N 0°21'56" E 85 FT; TH N 89°55'45" E 149.99 FT TO THE POB. CONT. 0.29 ACRES.

WHEREAS, after due consideration, it is the determination of the Board of Trustees that it is in the best interest of the District that such application for transfer be approved and granted and that 0.8 acre-feet of water above referred to be transferred as per above described lands.

NOW, THEREFORE, be it resolved and ordered by the Board of Trustees of Weber Basin Water Conservancy District as follows:

1. That the application for transfer of 0.8 acre-feet of water from the lands first above described to lands last above described, be and the same is hereby approved and granted, and the 0.8 acre-feet of water is hereby so transferred.
2. That the Chairman of the District is hereby authorized and empowered in the name of the District and on its behalf to execute a formal order granting such application for transfer and so transferring the said water.
3. That the General Manager/CEO of the District is directed to cause a fully executed copy of such order to which shall be appended a copy of the application for transfer upon which the order is made to be recorded in the office of the County Recorder of the county in which the lands to which the water is transferred are located.

Motion was made by Trustee M. Anderson, seconded by Trustee Summers and the vote was unanimous, approving the transfer contract and adopting the foregoing resolution.

**VII
CONSIDERATION OF APPROVAL OF CANCELLATIONS OF WATER**

Mgr. Searle presented the following cancellations of water contracts for approval:

A. DAVIS COUNTY

- 1) Woods Cross Industrial LLC5.96 a.f. Proj.
Woods Cross (06-430-0101)
- 2) Woods Cross Industrial LLC4.68 a.f. Proj.
Woods Cross (06-430-0102)
- 3) Woods Cross Industrial LLC5.07 a.f. Proj.
Woods Cross (06-430-0103)
- 4) Woods Cross Industrial LLC1.02 a.f. Proj.
Woods Cross (06-430-0104)
- 5) Woods Cross Industrial LLC5.02 a.f. Proj.
Woods Cross (06-430-0105)

Mgr. Searle stated there is an industrial park being developed. He said the water needs were reviewed by our staff engineers, and it has been determined that there is more water than needed for this project so the excess water will be returned to the District. Mgr. Searle recommended approval of all cancellations presented.

Motion was made by Trustee M. Anderson, seconded by Trustee Summers, and the vote was unanimous approving the cancellations and adopting the following resolution.

RESOLUTION

BE IT AND IT IS HEREBY RESOLVED by the Board of Trustees of the Weber Basin Water Conservancy District that the Chairman and the General Manager of said District be and they are hereby authorized and empowered to execute on behalf of said District water cancellations for the following, on the terms and conditions contained in the form of agreement presented to and considered at this meeting.

- 1) Woods Cross Industrial LLC.....5.96 a.f.
- 2) Woods Cross Industrial LLC.....4.68 a.f.
- 3) Woods Cross Industrial LLC.....5.07 a.f.
- 4) Woods Cross Industrial LLC.....1.02 a.f.
- 5) Woods Cross Industrial LLC.....5.02 a.f.

**VIII
WATER SUPPLY REPORT**

Mgr. Olsen was invited to present the water supply report and showed the following reservoir content data:

<u>RESERVOIR</u>	<u>TOTAL CAPACITY</u>	<u>DISTRICT CAPACITY</u>	<u>ACCRUED TO DIST TO DATE</u>	<u>% OF DIST CAPACITY</u>	<u>HISTORICAL RESERVOIR CONT.</u>	
					<u>AS OF 6/27/22</u>	<u>AS OF 6/21/21</u>
CAUSEY	7,870	6,870	6,829	99%	6,885	5,307
E CANYON	51,200	20,110	20,725	103	36,570	33,720
ECHO	73,940	6,422	6,269	98	65,200	25,830
LOST CRK	22,510	20,010	19,710	99	12,465	12,465
PINEVIEW	110,150	110,150	66,227	100	71,390	51,040
SMITH-M	8,351	7,600	6,777	103	7,678	4,089
WANSHIP	62,120	60,000	60,000	100	58,620	29,150
WILLARD	<u>247,302</u>	<u>222,273</u>	<u>219,451</u>	<u>99</u>	<u>103,571</u>	<u>126,640</u>
TOTAL	583,443	408,473	405,988	99%	296,973	288,241

Percent of District upstream storage is 100%.

Mgr. Olsen presented a very positive water report. He stated the District’s active capacity is 100%, we are full. He then presented slides showing the Ogden River, Weber River, and Willard Bay storage. He also discussed the District’s storage allocation, soil moisture levels, precipitation/snotel, forecasted runoff, weather outlooks, and drought monitor. Mgr. Olsen said we are 120% above the median line for the overall precipitation average.

Mgr. Olsen answered questions from the trustees.

Gen. Mgr. Paxman gave kudos to Mgr. Olsen and his crew on their work this season.

Legal Counsel Williams stated the water management this season was a District wide effort by all employees, and this planning was directed by Gen. Mgr. Paxman. She stated the water management this spring could not have been done better as there was complete commitment working from the top all the way down. Legal Counsel Williams said it was a job remarkably well done.

**IX
CONSIDERATION OF APPROVAL OF PURCHASE OF NEW HYPOCHLORITE
GENERATION SYSTEM**

AGM Hess presented the reasons for purchasing a new hypochlorite generation system. He said sodium hypochlorite is the main chemical used for disinfection during the water treatment process. He explained that the District generates hypochlorite onsite, and if the generation system fails, the District must purchase bulk product, which is extremely expensive, or it cannot operate. AGM Hess said the system is about 17 years old, it has had several expensive repairs, and it is time to replace it entirely. He said redundancy is very important, so the District is looking to purchase two systems. He explained this will also help with increasing capacity in the future.

AGM Hess stated there are only two suppliers who provide systems and only one supplier bid. The bid was for the same system we have in Bountiful, and we have been pleased with its performance. He said our maintenance crews report the Davis South system is reliable, more dependable, and easier to operate. AGM Hess said delivery time is around six to nine months.

AGM Hess then answered questions from the board.

Motion was made by Trustee Summers, seconded by Trustee Osguthorpe and passed unanimously, approving the purchase of two 750 pounds per day sodium hypochlorite generation systems for the Weber South Water Treatment Plant from De Nora Water Technologies, LLC for \$590,489.00.

**X
GENERAL MANAGER’S REPORT**

Gen. Mgr. Paxman reported on the successful watershed tour. He thanked staff for their efforts in the organization, food prep, transportation, and all the details of pulling off a tour of this size. Gen. Mgr. Paxman said he received many positive comments regarding all aspects of the tour, and that the District plans to continue offering the tour every other year.

Gen. Mgr. Paxman stated the bond underwriter and bond counsel review committee met and scored all submissions, of which there were three for the underwriter and two for the counsel. He reported that the evaluation team unanimously ranked Stifel as most qualified for the bond underwriter, as well as unanimously ranked Chapman & Cutler as most qualified for the bond counsel. He said the proposals are below the General Manager’s authorized limit, but we wanted to share the results with the board.

Gen. Mgr. Paxman said August 31st will be our annual bar-be-que and will take place just after board meeting.

Gen. Mgr. Paxman told the board Derek Johnson resigned and left to work for Sunrise Engineering. He introduced Shane McFarland and said he was hired to take Mgr. Johnson’s place as Engineering Department Manager. Gen. Mgr. Paxman stated as a result of Mgr. McFarland’s promotion, Vince Hamilton will be promoted to Senior Engineer for the District. He said these are great promotions and great people to fill them.

Gen. Mgr. Paxman also mentioned a few hostile customers to whom our legal counsel has helped respond. He said one is a Weber County resident who has cut our meter radio wires and lock. This individual has been unwilling to communicate with civility and we have particular concern so will take great care and caution in how we proceed.

Lastly, Gen. Mgr. Paxman said the annual Summary of Operations for 2022 is printed and each trustee has a copy place in front of them.

**XI
CLOSED SESSION TO DISCUSS SALE OF REAL PROPERTY**

Motion to adjourn, and open closed session was made by Trustee Robinson, seconded by Trustee Summers, and passed unanimously, directing the board to go into closed session to discuss the sale of real property.

Motion to adjourn closed session was made by Trustee Robinson, seconded by Trustee Elliott and passed unanimously, which moved the session back into public meeting.

After discussion and questions in closed session, motions was made by Trustee Osguthorpe, seconded by Trustee Jenkins, and passed unanimously approving the sale of real property being a

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0.305 acre portion of the Weber West Pump Station parcel back to its original owner for the appraised price of \$14,500.00.

**XII
ADJOURNMENT**

There being no further business for discussion, meeting adjourned at 11:10 a.m.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Scott Paxman".

Scott W. Paxman, General Manager/ CEO

The Board of Trustees of the Weber Basin Water Conservancy District, Utah, met in public session June 29, 2023, at 9:00 a.m., at District headquarters, Layton, Utah. Meeting was called to order by Chairman Marlin K. Jensen. On roll call the following members were found to be present:

Present:

Chairman, Marlin K. Jensen
Trustee Mark D. Anderson
Trustee Jared Andersen
Trustee Kym O. Buttschardt
Trustee Randy B. Elliott
Trustee Scott K. Jenkins
Trustee Angie Osguthorpe
Trustee Christopher F. Robinson
Trustee Paul C. Summers

Excused:

Mike Malmborg, Legal Counsel

Scott W. Paxman, General Manager/CEO
Jody Williams, Legal Counsel

Brittney Bateman, Fin. Analyst
Calysta Bravo, Fin. Manager
Suzy Eppens, Contracts Administrator
Darren Hess, Assistant General Manager
Josh Hogge, Mgr. of M&I
Shane McFarland, Mgr. of Engineering
Brad Nelson, Assistant General Manager
Jon Parry, Assistant General Manager
Kendall Searle, Mgr. of Administration
Sam Sorensen, Mgr. of Maintenance
Kathy Wood, Mgr. of Human Resources

Alan McKean, David Evans & Associates

Mgr. Searle stated the meeting was being held pursuant to notice to the public, duly published as required by law, for the purpose of permitting all interested persons to show cause why the respective petitions for water contracts of the individuals as set forth in the notice, copies of which are attached hereto and incorporated by reference as a part of these minutes, for the allotment of water to lands in Summit County, Utah, by the Weber Basin Water Conservancy District, should not be granted.

Mgr. Searle reported there have been no written objections filed against the foregoing petitions and asked for any other objections to be presented at this time. No objections were received.

Thereupon the following resolution was presented and read:

**RESOLUTION GRANTING PETITIONS FOR THE ALLOTMENT
OF WATER BY WEBER BASIN WATER CONSERVANCY DISTRICT**

WHEREAS, acting pursuant to Section 73-9-19, Utah Code Annotated, 1953, as amended, there has been filed in the office of the Weber Basin Water Conservancy District, the following petitions for water contracts requesting the allotment of Weber Basin water annually, pursuant to the terms and conditions set forth in said petition:

A. SUMMIT COUNTY:

Petitions for New Water

- 1) Randy Moss 0.65 a.f. Dist. 4
Kamas (KE-A-4)
- 2) Ryan & Stephanie Worlton..... 0.45 a.f. Dist. 4
4.5 Miles NW of Smith & Morehouse (CMA-191)

Page 2 – Petitions for Water Contract Hearing – June 29, 2023

Whereas after the filing of said petitions, it was determined to hold a public hearing on same in the office of the Board of Trustees of the District, and the General Manager/CEO of the District caused due and proper notice of the holding of such hearing to be posted to the Utah Public Notice Website on June 14, 2023, which notice advised all interested persons of the holding of such hearing and of their right to present objections in writing showing cause why such petitions should not be granted, and

WHEREAS, at the hour and place named in said notice, or at a subsequent meeting adjourned there from, the Board of Trustees of the District has met in public session and has heard all persons desiring to be heard and written or other objections having been presented, and

WHEREAS, after due consideration, it is the determination of the Board of Trustees that it is for the best interest of the District that such petitions should be granted.

NOW, THEREFORE, be it Resolved and Ordered by the Board of Trustees of the Weber Basin Water Conservancy District, as follows:

Section 1. That it is hereby determined to be in the best interest of the Weber Basin Water Conservancy District, that such petitions be granted.

Section 2. That said petitions are hereby granted and amounts of water in acre-feet are hereby allotted to the respective petitioners for the lands for which the same is petitioned, all as above set out.

Section 3. That the Chairman of the District is hereby authorized and directed in the name of the District and on its behalf to execute formal orders granting said petitions allotting water to lands therein described, upon the terms, at the rates, and payable in the manner as in said petitions set forth and the General Manager/CEO of the District is authorized and directed to attest said order.

Section 4. The General Manager/CEO of the Board of Trustees in its behalf, is directed to cause a fully executed copy of said order, to which shall be attached a copy of the petitions upon which the order is made, to be recorded in the office of the respective County Recorder.

After consideration of the resolution and order, motion was made by Trustee M. Anderson, seconded by Trustee Summers and passed unanimously, approving petitions for water contracts in Summit County and adopting the foregoing resolution.

Approved and adopted June 29, 2023.



Marlin K. Jensen, Chairman

ATTEST:



Scott W. Paxman, General Manager/CEO

(SEAL)