



South Weber Water Improvement District

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Office-Wendy Dahl (801) 475-4749

Emergency Maintenance

Freddy Loertscher (801) 675-1082
Wayne Stark (801) 786-9919

Board of Directors

Chair Darren Hess (801) 475-4320
Co-Chair Cindi Mansell (801) 540-2486
Secretary Sherry Poll (801) 726-9484
Treasurer Nate Reeve (801) 458-8006
Member Jan Ukena (801) 479-8749
Maintenance Supervisor

Nate Reeve (801) 458-8006

Minutes for the South Weber Water Improvement District Board Meeting held Tuesday, October 12, 2022, at 5:00 p.m. in the Water District Building. Board members in attendance included Darren Hess, Cindi Mansell, Nate Reeve, Sherry Poll, and Jan Ukena. Maintenance: Freddy Loertscher, and Wayne Stark were present. Attorneys Jonathan R. Grover, and Eric T. Hunter were also present.

Minutes approval from the September 14, 2022, board meeting

**Ms. Mansell moved to approve the September 14, 2022 minutes as written.
Seconded by Ms. Poll. Motion carried unanimously.**

Minutes approval from the September 27, 2022, special board meeting

Ms. Ukena moved to approve the September 27, 2022, special board meeting minutes as written. Motion seconded by Ms. Mansell. Motion carried unanimously.

Maintenance Report and Business

- Mr. Loertscher handed out new keys to the front gate and to the Office building.
- Maintenance reported on the condition of the reservoir after the shut off procedures were complete. The dirt buildup in the reservoir is at a low level. It will be checked yearly and probably need to be cleaned out in 4 to 5 years. The reservoir walls are covered with moss that may need to be cleaned next spring.
- One of the maintenance trucks lost a magnetic District label. Maintenance would like to order new magnets or decals for the trucks. The old magnets have the old name on them also. The board recommended decals instead of magnets. Ms. Dahl requested two bids and had received one at the time of the meeting. Ms. Dahl will wait for the other bid and use the best bid to order new decals.
- The maintenance team was assigned to mark out the meters that we plan to install this fall. The District should be able to install 120 in the fall and 120 in the spring.

Mr. Loertscher and Mr. Stark were excused.

Policies and Procedures Review / Update

- Mr. Jonathan R. Grover with Evans, Grover & Beins P.C. was present at the meeting to discuss changes to the District's policies and procedures. The following items were addressed:

- **Add watering restriction times** – this rule needs to be added to the policies and procedures with an agricultural exception. Mr. Grover will write something for review.
- **Address questions about older contracts** – Concerns addressed about older contracts, transfers of ownerships, and water allotment amounts. How can changes be made to the contracts and the water allotments provided. Ms. Dahl will send Mr. Grover some copies of our current contracts to review.
- **Proper landscape vs dry scape figures for usage reports** - With the installation of meters a policy should be written to determine the allocated need of water for a parcel with consideration of landscape and dry scape usage. Mr. Hess will send Mr. Grover the formula used by Weber Basin.

Mr. Grover was thanked for his attendance at the meeting.

Review of Financials and Invoice Approval

-All financial reports were reviewed.

-Ms. Dahl suggested moving some of the AFCU general money to the Money Market account for better interest earnings, the board approved moving \$75,000 from the General Checking to the Money Market account.

-Ms. Poll brought up another bank that was offering 4% interest on their savings accounts. She will check with them and with AFCU to see what the best rates are being offered to business accounts.

New Business - Board, Office Manager

-Ms. Ukena reminded the board that the Budget needs to be prepared for the November meeting so any adjustments can be made and ready for the December public hearing and approval.

Adjourn

Ms. Ukena moved to adjourn the meeting at 6:00 p.m. Motion seconded by Ms. Mansell. Motion carried unanimously. Board Meeting Adjourned

6:00 p.m. – Open public hearing regarding the ARPA Grant and the issuance of up to \$933,000 of water revenue bonds for meter installation; and related matters

Public Hearing

Public Attendees: Barbara Shupe, Dan Shupe, Kristine Kilpatrick, Blaine Land and Adam Christensen.

Mr. Hess turned the time over to Eric T. Hunter with Chapman and Cutler LLP and thanked him for his attendance at the Public Hearing.

Mr. Hunter explained that the Board of Water Resources requires a public hearing in order to access the funds that they are willing to lend, the \$933,000. In addition, the Utah Bond Act also has a public hearing requirement. This is an opportunity for the public to express any concerns and ask any questions that they have, then following the public hearing the District Board can accept or reject the suggested results.

Mr. Grover added that the reason this process came about is that the Utah State Legislature passed a bill requiring secondary water providers to install meters by a certain date. There are several secondary companies and districts going through a very similar process. That's what necessitated this need to come up with some money to comply with the State laws. There is money that the State has made available partly through grants and bonds.

Ms. Ukena moved to open the public hearing. Seconded by Ms. Mansell. Motion carried unanimously.

Receive public comments pertaining to the Grant/Bond Hearing

Ms. Barbara Shupe has three questions. It's a bond and a grant. Grants are usually free money and bonds cost money. I read that it was a \$933,000 bond so it has to be repaid and it was to put in meters. So, if we get a meter, does that mean that our water is going to be monitored by that meter and we are going to have to pay for the water by that meter?

Mr. Hess - In terms of the money that we are spending here, it is something that is required by the State for all these meters. We are getting a grant for 70% of this funding but this \$933,000 will be a bond so we do have to pay that back. Our district will have to pay that back starting in 2026. We didn't have the money in our accounts to come up with that, so we had to borrow the money from the State, and we had to issue a bond to do that. We need to get them installed by 2026 because the ARPA funds go away in 2026, so the 70% grant money we are receiving also goes away in 2026. Technically the State is requiring the meters to be installed by 2030 or we will start receiving a penalty for every meter that's not installed after 2030.

For a small District, we are doing good, we have probably 200 plus meters installed out of the 1,100 plus customers we have. Right now, we are not charging for the water use. We do review water usage reports on a monthly basis and have our maintenance team go out and talk with individuals that are using more than they should be using. It remains to be seen how quickly we could get to the point of charging for usage. There are a lot of things that go into doing that and it will be difficult for our small district to manage. This is just to monitor the use for now.

Ms. Shupe – My second question is that next year our rates will be raised by 18%, then 12% for the next 5 years so at the end of 5 years we will be paying double of what we are paying now?

Mr. Hess – It was raised 18% last year then 12% for the next 4 years. I don't know that it will be doubled but it will be higher.

Ms. Shupe – My concern is that it is just a lot. I understand the costs and maintenance, but with everything else going up, it is a lot of money. We only use the secondary water for 5 months out of the year. I would have thought more people would have been concerned about this as well.

Mr. Hess – Well we already talked about and approved the rate increase last year so we are not talking about the rate increase tonight.

Ms. Dahl suggested looking at the website www.southweber.com to read all the comments and discussions regarding the rate increase.

Ms. Shupe – My third question is there any possibility of turning the water on and fixing the leaks before the system is open so that we can actually use the water on the date it should be on? We always get the date of turn on, then there are leaks that delay using it.

Mr. Hess – We turn the water on when Weber Basin loads the system, and we cannot load it until Weber Basin turns on. It is true, there can be some leaks that we need to fix in the spring and others pop up and there is not much we can do about that.

Mr. Reeve – Those are great questions. We really have no way to turn the water on to test without loading it into the system.

Mr. Blaine Land – When you get the meters in are we going to be paying for the metered water and the increase of rates?

Mr. Hess – Not right now and not immediately, it's very difficult to charge by the meter right now. At some point yes, we may end up charging for every gallon that goes through the meter. It will be part of the whole costs. It would probably be a shift of fees and the amount you pay right now might go away and then you'd have a cost per gallon.

Mr. Reeve – Great question as well, we all live in the District too. This is all evolving. The government says we have to do meters. We understand that meters are important. It's been very educational for us to see the reports on the meters we do have installed. Some people are using 240% of their allocation. So, we are using those meter results to educate them.

Ms. Poll – The other positive part about this is that we were fortunate to be able to get the 70% grant money to have the State help pay 70% of the meter costs.

Mr. Hess – On the grant funding, we are getting 2.6 million dollars from the State just in grant funding for our District. The District wouldn't have been able to afford that. What we are talking about today is the \$933,000, that 25% has to come from somewhere. We didn't have that in our bank account to be able to give that to the contractors so that's why we are borrowing that from the State and then we will pay 4.5% which is \$164,000.

Mr. Land – One more question, Will you have to pay a lot of people to go around and read those meters?

Mr. Hess – No, it's all electronic. We are using Weber Basin's system. The meters have a radios on them that sends the information to Weber Basin.

Ms. Ukena – The good thing is that the District had a foresight to put in 200 meters and we went after a couple of grants that helped us with those.

Mr. Adam Christensen, what about properties that share one connection? My property has a 2-inch line, is that going to be reduced to a smaller one?

Mr. Hess – That will be something we will have to address individually; we can't have two connections sharing a meter. If you have a two-inch line, you will probably get a 2-inch meter. We are not trying to decrease the size of your service.

Ms. Shupe – On the spreadsheet it looks like there are balloon payments that increase. Balloon payments at the end are a concern because they are historically hard to pay for. It's also just passing costs on to our grandkids or future homeowners.

Mr. Hess – The balloon payments start out at \$48,000 in 2026 then go up to \$72,000 in 2040. It does go up a little bit every year.

Mr. Hunter – My recollection is that this is a level debt service, the spreadsheet reflects the principal and doesn't show the interest. As the interest goes down, the payment goes down.

Mr. Hess – The interest rate was very favorable at 1%. It is still a large payment for our little District. We've paid historically low rates with no increases for 13 years. This is not about a rate increase because that was talked about previously but unfortunately, we will have to keep increasing water rates.

Mr. Hess – If there are no more questions, we really appreciate you being here and your involvement and questions.

Ms. Poll moved to close the Public Hearing. Seconded by Ms. Mansell. Motion carried unanimously. Public Hearing closed.

Board Decision on ARPA Grant and Master Resolution and Supplemental Resolution providing for the issuance of up to \$933,000 of water revenue bonds and related matters

Ms. Ukena moved to approve the ARPA grant and Master Resolution and Supplemental Resolution providing for the issuance of up to \$933,000 of water revenue bonds and related matters. Motion seconded by Ms. Poll. Motion carried unanimously.

Adjourn

Ms. Mansell moved to adjourn. Seconded by Ms. Poll. Motion carried unanimously. Meeting adjourned at 6:31 p.m.

Respectfully submitted by the South Weber Water Improvement District Clerk on this 9th day of November 2022 for Board review and approval.

Wendy Dahl District Clerk