

SOUTH DAVIS WATER DISTRICT
BOARD OF TRUSTEES MEETING MINUTES

Wednesday, February 11, 2026
407 W. 3100 S., Bountiful, Utah

BOARD MEMBERS PRESENT:

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

DISTRICT STAFF PRESENT:

- Jake Ferguson, General Manager
- Tracie James, Clerk
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1. CALL TO ORDER

Chair Kathy Thurston called the meeting to order at 4:32 p.m. in compliance with Utah's Open and Public Meetings Act. The meeting was recorded in its entirety as a public record.

2. PUBLIC COMMENT

No members of the public were present for comment.

3. BOARD MEMBER REPORTS

Trustee Oaks:

- Reported attending a statewide water legislative update at the Utah Capitol where legislators discussed current and proposed water legislation.
- Clarified to one legislator that legislative mandates on secondary metering and legislatively-approved water agency fees do impact local property taxes and constituent costs, despite claims to the contrary.

Trustee Mortensen:

- Reported recent discussions with Representative Ray Ward and Representative Doug Owens regarding the updated groundwater management plan and the District's aquifer concerns; both legislators expressed willingness to meet with the Board and the State Engineer after the legislative session.
- Summarized a Holland & Hart letter prepared for the Wasatch Front Water Quality Council critiquing the Zions "volume-based fee" study underlying HB 501, including concerns about fee affordability, distribution of fee revenue, high administrative costs, and potential illegality where fees do not provide a specific benefit to taxpayers.
- Noted that regional sewer districts and large water entities are organizing to strongly oppose HB 501.

Chair Thurston:

- Commented that the American Water Work Association Capitol water meeting started earlier than many attendees expected, which limited opportunities for questions from the attendees.

4. APPROVAL OF MINUTES – JANUARY 14, 2026, BOARD MEETING

MOTION: Trustee Oaks moved to approve the minutes of the January 14, 2026 Board meeting. Trustee Mortensen seconded the motion. The motion carried unanimously with Trustees Thurston, Mortensen, and Oaks voting "aye."

5. APPROVAL OF JANUARY 2026 EXPENSE REPORT

The Board reviewed and discussed the January 2026 expense report in detail. After some questions and a discussion on various items, Trustee Oaks motioned to approve the January 2026 expense report. Trustee Mortensen seconded the motion. The motion carried unanimously with Trustee Thurston, Mortensen and Oaks voting "aye".

6. VULNERABILITIES AND OPPORTUNITIES

The Board reviewed updated source and storage capacity information and discussed long-term growth, aquifer conditions, and infrastructure planning requirements.

Key points:

- Current source capacity is approximately 108% of required demand and storage capacity approximately 110%, based on existing well pump settings and storage volumes.

- Manager Ferguson noted that several wells are operating below potential and that rehabilitation and higher-capacity pumps (e.g., North Canyon and Val Vista wells) can increase source capacity without immediately drilling new wells.
- Using current pump capacities and an assumed 1.5% annual growth rate, the District could maintain state-required source capacity for roughly 6½–7 years without further capacity upgrades; additional increases would require higher pump outputs or new sources.
- Storage capacity is projected to remain within state requirements for approximately 12 years under current conditions, after which the District may need to add storage (e.g., a “donut” tank or large-diameter transmission mains counted as storage) or secure additional credited capacity from Weber Basin.
- The Board discussed the impact of new developments on the District. It is the consensus of the Board to err on the side of caution and to potentially limit or condition major new developments if the development would push the District beyond its current capacity margins, including using impact fees to finance required capacity expansions.

7. LEGISLATIVE REVIEW AND BOARD POSITIONS ON BILLS

The Board reviewed current state legislation affecting water and related infrastructure and discussed potential Board positions.

HB 501 – Resource Fee / Volume-Based Fee Bill:

- Trustees described HB 501 as particularly problematic, noting that it would authorize substantial new statewide water fees based on a percentage (1.5%) of median adjusted gross income multiplied by system connections or equivalent residential connections (ERCs).
- Manager Ferguson estimated the District’s potential obligation between \$3.5 and \$4 million over the life of the program, equating to roughly \$200,000 per year if spread over 20 years, which would necessitate significant rate increases for District customers.
- The Board expressed concern that District customers would be forced to help pay for large state projects such as the Lake Powell pipeline and Bear River developments, even though many benefits would accrue to other regions (e.g., St. George golf courses) and not directly to District residents.
- The Board agreed that HB 501 is an “ugly” bill that would create unacceptable financial burdens and inequities for District customers.

HB 410-Water Leasing Bill:

- Great Salt Lake water leasing bill: This bill would allow voluntary leasing of water rights for Great Salt Lake benefit without forcing permanent surrender of water rights.

HB 154-Water Loss Study Amendments:

- The Board supported the concept of requiring studies of impacts on groundwater when converting agricultural water to development or culinary uses and discussed potentially working with the sponsor to ensure the bill encompasses urban aquifer impacts similar to those facing the District.

8. RESOLUTION 90 – ADOPTION OF ASSET MANAGEMENT PLAN

Manager Ferguson presented the final Asset Management Plan, incorporating prior Board comments.

Discussion highlights:

- Trustee Oaks inquired about emergency use of the District’s springs; management confirmed that four springs are available for emergency use, continuously flowing and capable of supplying both a reservoir and public access points where customers could fill containers.
- Management reported obtaining an exemption from a previous deficiency regarding a required box on Enoch Spring, avoiding potential contamination risks.
- The Board discussed protecting sensitive infrastructure information by keeping detailed emergency and mapping data in protected records while using generalized maps for public documents.

MOTION: Trustee Mortensen moved to approve Resolution 90 adopting the South Davis Water District Asset Management Plan as presented, with authority for staff to make minor spelling, grammatical, and punctuation corrections. Trustee Oaks seconded the motion. The motion carried unanimously with Trustees Thurston, Mortensen, and Oaks voting “aye.”

9. RESOLUTION 91 – CDBG APPLICATION FOR CUL-DE-SAC REPLACEMENT PROJECTS IN 2026

Manager Ferguson presented Resolution 91 authorizing submission of a Community Development Block Grant (CDBG) application for infrastructure replacement projects in the 2900 South/500 West and 2725 South/Orchard Drive cul-de-sacs.

Key points:

- The proposed grant request is \$199,000, structured to remain below the \$200,000 threshold that would trigger additional federal requirements.
- Manager Ferguson stated that both cul-de-sac projects can be completed within the requested CDBG amount, with the District covering only minor overruns if any.
- Existing galvanized service lines in the project areas may contain lead “goose-necks”; replacement would reduce potential lead exposure for residents. The project would also add fire hydrants to improve fire protection.

MOTION: Trustee Mortensen moved to approve Resolution 91 authorizing submission of the CDBG application for the 2900 South/500 West and 2725 South/Orchard Drive cul-de-sac replacement projects, as described in the resolution and supporting documentation. Trustee Oaks seconded the motion. The Motion carried unanimously with Trustees Thurston, Mortensen, and Oaks voting “aye.”

10. MANAGER’S REPORT

A. PFAS Mitigation Grant Requirements

- Manager Ferguson reported on requirements associated with the \$335,000 federal PFAS mitigation infrastructure grant administered through the Division of Drinking Water.
- The District must establish a dedicated PTIF account solely for grant receipts and disbursements, submit the Asset Management Plan, and complete a cultural study and environmental study in connection with the planned construction.
- The District attorney will confirm that the District holds necessary rights-of-way and easements to install and operate the PFAS mitigation facilities.

B. CDBG Grant Application Status

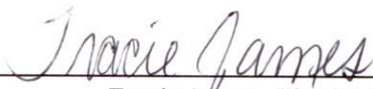
- Manager Ferguson reported that work continues on the CDBG application and that he does not anticipate any substantive obstacles, though significant documentation and narrative justifications are required.
- Trustees encouraged the manager to emphasize his successful track record in completing prior grant-funded projects on time and in compliance, including positive audit outcomes.

C. Snowpack and Aquifer Conditions

- Manager Ferguson provided an update on regional reservoir “teacup” levels, noting that while overall storage percentages appear moderate, snowpack is currently well below historical minimums at key monitoring sites affecting the District (Parrish Creek, Lookout Peak, Hardscrabble, and Chalk Creek).
- USGS test well readings indicate that from 2024 to 2025, aquifer levels in the District’s area rose between 5 and 7 feet at several locations, although the long-term trend since 2010 remains a gradual decline of about 0.5 feet per year.
- The Board noted that during years when secondary irrigation use was not curtailed, aquifer levels improved, supporting the District’s position that irrigation contributes meaningfully to aquifer recharge.

11. ADJOURNMENT

With no further business, Chair Thurston declared the meeting adjourned at 5:49 p.m.



Tracie James, District Clerk