

APPROVED
MAY 22, 2024

APPROVED

MINUTES OF THE **WORK SESSION** OF THE BOARD OF TRUSTEES OF THE CENTRAL UTAH WATER CONSERVANCY DISTRICT HELD ON WEDNESDAY, MAY 22, 2024, AT 11:30 AM AT DISTRICT HEADQUARTERS, OREM, UTAH.

TRUSTEES PRESENT

Shelley Brennan, Chair	Steve Hanberg	Greg McPhie
Jon Bronson	Max Haslem	Jim Riding
Kirk Christensen	Marvin Kenison	Jennifer Scott
Steve Farrell	Kathy Wood Loveless	Randy Vincent
Wade E. Garner	L. Alma Mansell	Brad Wells

TRUSTEES EXCUSED

Wayne Andersen, Vice Chair	Eldon Neves
----------------------------	-------------

STAFF PRESENT

Gene Shawcroft, General Manager	Robert Moore, Legal Counsel
Lisa Anderson, Board Executive Assistant	Rachel Musil, Water Rights Manager
Kirk Beecher, Lands Manager	Angie Nielsen, Records Assistant
Jim Brooks, Human Resources Manager	Roger Pearson, CUPCA/Special Programs Mgr
Derek Bruton, Project Engineer	Brad Perkins, Project Engineer
Brent Chase, Computer Systems Specialist	Mike Rau, Water Quality Manager
Heath Clark, Asset Management Manager	Bronson Stewart, Controller
John Coker, IT Manager	Amanda Strack, Water Conservation Manager
Will Garner, Project Engineer	Sarah Sutherland, Environmental Program Manager
Tyler Harvey, Emergency Manager	Bruce Ward, Chief Engineer
Shaun Hilton, Project Engineer	Paulette Webster, Contract Administrator
Monica Hoyt, Education Outreach Manager	Mike Whimpey, Assistant General Manager
Bart Leeflang, Assistant General Manager	Kevin Workman, Uintah O&M Manager
Rick Maloy, Strategic Initiatives Manager	Gerard Yates, Deputy General Manager
Mandy McClellan, Records Manager	

Chair, Shelley Brennan called the meeting to order at 11:33 a.m.

Rob Moore, District General Counsel led the annual Utah Open and Public Meetings Training. He highlighted 10 of the common pitfalls under the Utah Open and Public Meetings Act. First are sidebars, or side discussions as all discussions are a part of the minutes of the meetings. Second are deliberations and decisions in private as all decisions are made in the public meeting. Rob then addressed that site visits, retreats, and chance meetings should not have business discussed but be used as information gathering purposes for decisions made in open session later. Vague or general agendas and "other business" are not specific enough as the public must know what is on the agenda. He also stated that electronic meeting rules have been updated with legislation and those rules need to be followed.

Next Rob said that ex parte contacts should be avoided related to Board business, rather, refer them to District staff for potential agenda items. In response to a question, Rob clarified that this relates to a possible company trying to contact a trustee related to business they may have or want to have with the District, as those discussions should take place at a Board meeting. Public

APPROVED
MAY 22, 2024

APPROVED

comments and complaints can be received by the trustees as they do represent the public. He then addressed work meetings and closed meetings, when they need to occur, and what items are appropriate to discuss in those types of meetings.

Rob then reviewed 2024 Utah Legislature amendments to the Open and Public Meetings Act which were addressed in HB 36 which modified violations of the Open Public Meetings Act as well as definitions and provisions related to electronic meetings.

Rob next stated that if the Trustees have any questions about the 2024 Legislative Review, he will entertain them at this time. Trustee Bronson asked a question related to developers that establish public infrastructure districts without going through a city or county. Chair Brennan stated that Utah Association of Counties (UAC) did not oppose. Rob replied that it does not affect our District.

Rob then reported on HB 80 which requires each board member to submit a conflict of interest for every January instead of when our District has traditionally done it in May. Rob then stated that he is available to answer trustee questions at any time.

Shaun Hilton, Project Engineer, presented Resolution No. 2024-05-03 A Resolution of the Board of Trustees of the Central Utah Water Conservancy District Updating Operation, Maintenance, and Replacement (OMR Reserve Guidelines and Charges for the 2026 through 2030 Water Delivery Seasons). He gave a recap of the presentation made in the April Board Meeting starting with a review of the CUP CRP Balance with a proposed rate increase from \$75 to \$80 (\$5 the first year, FY2026-2027 and by an additional \$5 each year up to \$100 in FY 20230-2031). Next, he gave a recap of the finished water with a proposed rate increase from \$32.50 to \$37.50 (\$5 the first year, FY 2026-2027, \$6 the second year, \$7 the third year, \$8 the fourth year, and \$9 the fifth year up to \$67.50 in FY 2030-2031).

Shaun shared an analysis of the impact on the typical city water user which would be approximately \$0.45 per month for CUP Water and \$2.60 per month for finished water.

Trustee Bronson stated that the resolution is establishing a cap on the reserve balance of 125% of the rolling 5-year reserves average of the CRP costs. He noted that having a cap is a worthy goal, but the District may not achieve a cap. Trustee Wells stated that rate increases are required to have an 18-month notice and that is why the District needs to start the process of approving these rates now.

Bronson Stewart, Controller, presented an update on District finances and a review of the tentative budget. He reviewed the District's types of debt including General Obligation Bonds, Block Notices, Revenue Bonds, and Subordinate Revenue Bonds. Bronson then shared the debt management tools and controls used which include the trustee-approved budget, a long-term financial model, and debt management ratings.

Bronson then explained the difference between the preliminary budget, which is reviewed on the Trustee Committee level, and the tentative budget which is discussed by the entire Board of Trustees. He stated that the tentative budget is \$381 M which is about a 20% increase from the

APPROVED
MAY 22, 2024


APPROVED

prior year's budget. Bronson highlighted some of the differences in expenditures and revenue which include increases to water conservation activities, a 2% COLA, water treatment plants due to a rise in costs of chemicals and insurance, and debt service block notice payments. He also stated that there is a new expenditure to implement a new ERP system as well as increases to CUP Capital Replacement Projects, anticipated property purchases, studies, and future water supply planning efforts.

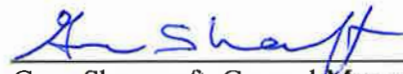
In response to a question from Trustee Bronson, Bronson stated that there are still some 2023 property taxes to be received from Sanpete County. Bronson then highlighted a few of the increases to revenue including motor vehicle fees, interest on investments, and grants from the Utah Division of Water Rights and FEMA and then shared the anticipated budget adoption timeline.

There were no committee reports.

The meeting adjourned at 12:24 p.m.



Shelley Brennan, Chair



Gene Shawcroft, General Manager