

APPROVED
AUGUST 23, 2023

APPROVED

MINUTES OF THE **REGULAR BOARD MEETING** OF THE BOARD OF TRUSTEES OF THE CENTRAL UTAH WATER CONSERVANCY DISTRICT HELD WEDNESDAY, AUGUST 23, 2023, 1:00 PM AT DISTRICT HEADQUARTERS, OREM, UTAH.

TRUSTEES PRESENT

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|----------------------------|-----------------------------|----------------|
| Shelley Brennan, Chair | Steve Hanberg | Eldon Neves |
| Wayne Andersen, Vice-Chair | Max Haslem | Jim Riding |
| Jon Bronson | Marvin Kenison | Jennifer Scott |
| Kirk Christensen | Kathy Wood Loveless (phone) | Randy Vincent |
| Steve Farrell | Al Mansell | Brad Wells |
| Wade E. Garner | Greg McPhie | |

TRUSTEE EXCUSED

Edwin Sunderland

STAFF PRESENT

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| Gene Shawcroft, General Manager | Dave Pitcher, Assistant General Manager |
| Lisa Anderson, Board Executive Assistant | Mike Rau, Water Quality Manager |
| Kirk Beecher, Lands Manager | Bronson Stewart, Controller |
| Jim Brooks, Human Resources Manager | Sarah Sutherland, Environmental Program Mgr |
| Brent Chase, Computer Systems Specialist | Mike Whimpey, Assistant General Manager |
| Mitch Dabling, Engineering Manager | Cindy Willard, Records Assistant |
| Will Garner, Project Engineer | Gerard Yates, Deputy General Manager |
| Jared Hansen, CUP Manager | |
| Tyler Harvey, Emergency Manager | |
| Cort Lambson, Engineering Manager | |
| Shawn Lambert, CFO | |
| Bart Leeflang, Assistant General Manager | |
| Rick Maloy, Director of Communications | |
| Mandy McClellan, Records Manager | |
| Devin McKrola, Bonneville O&M Manager | |
| Robert Moore, Legal Counsel | |
| Rachel Musil, Water Rights Manager | |
| Roger Pearson, CUPCA/Special Programs Mgr | |

GUESTS PRESENT

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| Sterling Brown, Strawberry Water Users |
| Gary Calder, Provo City |
| Paul Christensen, Bureau of Reclamation |
| Tim Pack, Clyde Snow |
| David Robertson, LYRB |
| Steve Slack, MWDSLs |
| Wade Tuft, JVWCD |
| Jeremy Williams, Hazen and Sawyer |
| Kent Wilson, Senator Mitt Romney's Office |

PUBLIC HEARING

A Public Hearing for the purpose of receiving public comment on the District's proposed 2023-2024 Fiscal Year Budget was called to order by Greg McPhie, Finance, Audit, & Budget Committee Chair at 1:01 p.m. The hearing was opened to the public for comment.

No public comment was received. The hearing concluded at 1:02 p.m.

BOARD MEETING

Shelley Brennan, Board Chair, called the meeting to order at 1:02 p.m. She excused Trustee Edwin Sunderland and stated that Trustee Kathy Loveless would be joining by phone later in the meeting.

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Motion that the Board Approve the work session minutes from June 21, 2023 as amended made by Greg McPhie and seconded by Steve Farrell.

Trustees For: Brennan, Andersen, Bronson, Christensen, Farrell, Garner, Hanberg, Haslem, Kenison, Mansell, McPhie, Neves, Riding, Scott, Vincent, Wells. For: 16; *Motion Passes*.

Motion that the Board Approve the Board meeting minutes from June 21, 2023 as amended made by Jon Bronson and seconded by Wade E. Garner.

Trustees For: Brennan, Andersen, Bronson, Christensen, Farrell, Garner, Hanberg, Haslem, Kenison, Mansell, McPhie, Neves, Riding, Scott, Vincent, Wells. For: 16; *Motion Passes*.

PUBLIC COMMENT

No comments received.

GENERAL MANAGER'S REPORT

Gene Shawcroft, General Manager, welcomed and introduced guests. He next congratulated staff member, and Civil Air Patrol Captain Shannon Babb, who received the 2023 Robert D. Budd Officer of the Year Award as most outstanding Public Information Officer in the Civil Air Patrol. She's been volunteering with the Civil Air Patrol for the past 10 years.

Gene next mentioned that DOI solicited comments through a Notice of Intent and received letters from the seven Colorado River Basin states, the UCRC, the State of Utah, and the District which now begins the process of the Post-2026 Negotiations. He then reported that Lake Powell came up 65 feet this year and is now about 37% full.

Gene then reported that he testified before Congress a few weeks prior regarding HR 4094, the Great Salt Lake Stewardship Act which authorizes the Secretary of the Interior to transfer funds previously authorized under CUPCA to be transferred into the District's Section 207 water conservation account for project use within the entire Great Salt Lake Basin. Gene said that the District will need approximately \$100M to complete CUPCA projects and the remaining approximately \$100M can then be used for conservation projects.

PUBLIC AFFAIRS COMMITTEE - WAYNE ANDERSEN, BOARD VICE-CHAIR

Shannon Babb, Instructor and Curriculum Specialist, shared an Education Outreach update sharing that the District has two grant programs for libraries to provide water festivals and to increase their STEM programs. She stated that the District also provides drinking water emergency preparedness training at libraries twice a year. Shannon then reported that year-round the District provides educator training to teachers in the 16 school districts within the District's boundaries and the accreditation is run through the Utah State Board of Education.

Wayne Andersen, Board Vice-Chair, mentioned the upcoming events for Trustees including the Sanpete County Board Hearing on August 28, the Soldier Creek 50th Anniversary Celebration on September 13, the Intermountain Section AWWA Conference September 19-21, the Utah Water Users Summit on September 26, and CRWUA in Las Vegas December 13-15, 2023.

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ENGINEERING & OPERATIONS COMMITTEE - AL MANSELL, CHAIR

Will Garner, Project Engineer, presented the Olmsted Power Pooling and Scheduling Agreement with Utah Municipal Power Agency (UMPA). He stated that the agreement dictates the management of the District allocation of power at the plant and will reduce District O&M costs, preserve the allocation, and that the District will deliver the power to UAMP with UMPA paying the associated O&M costs.

Motion that the Board Approve the Olmsted Power Pooling and Scheduling Agreement with Utah Municipal Power Agency and authorize District officers to execute the agreement made by Al Mansell and seconded by Wayne Andersen.

Trustees For: Brennan, Andersen, Bronson, Christensen, Farrell, Garner, Hanberg, Haslem, Kenison, Mansell, McPhie, Neves, Riding, Scott, Vincent, Wells. For: 16; *Motion Passes*.

Will next presented the Alpine Aqueduct Reach Two Operation and Maintenance Agreement with the City of Orem. He stated this is a renewal of the Operations & Maintenance and billing agreement for AA Reach 2 which was completed in 1991 and that it is the backbone of Orem's culinary water delivery system. Will stated that approximately 7,900 acre-feet was treated through the pipeline in 2022 and that Orem has already signed and approved the agreement.

Motion that the Board Approve the Alpine Aqueduct Reach 2 Operation and Maintenance Agreement with City of Orem and authorize District officers to execute the agreement made by Al Mansell and seconded by Steve Hanberg.

Trustees For: Brennan, Andersen, Bronson, Christensen, Farrell, Garner, Hanberg, Haslem, Kenison, Mansell, McPhie, Neves, Riding, Scott, Vincent, Wells. For: 16; *Motion Passes*.

Kirk Beecher, Lands Manager, presented Task Order 2024-44 with the Bureau of Reclamation for Construction Inspection Services to the Hades Feeder Pipeline Joint Bonding. He reminded the Board that they previously had approved the contract for the construction of this project and due to the timeliness of completing the work, inspections needed to start before the Board would meet again. Kirk stated that the General Manager had previously signed the Task Order.

Motion that the Board Ratify Task Order No. 2024-44 with the Bureau of Reclamation, in the amount of \$132,000.00 for construction inspection services for the Hades Feeder Pipeline Joint Bonding and Lining Repair Project made by Al Mansell and seconded by Steve Farrell.

Trustees For: Brennan, Andersen, Bronson, Christensen, Farrell, Garner, Hanberg, Haslem, Kenison, Mansell, McPhie, Neves, Riding, Scott, Vincent, Wells. For: 16; *Motion Passes*.

Motion that the Board Table item 6.B.4 until after closed session made by Al Mansell and seconded by Jon Bronson.

Trustees For: Brennan, Andersen, Bronson, Christensen, Farrell, Garner, Hanberg, Haslem, Kenison, Mansell, McPhie, Neves, Riding, Scott, Vincent, Wells. For: 16; *Motion Passes*.

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Motion that the Board Table item 6.B.5 until after closed session made by Al Mansell and seconded by Jon Bronson.

Trustees For: Brennan, Andersen, Bronson, Christensen, Farrell, Garner, Hanberg, Haslem, Kenison, Mansell, McPhie, Neves, Riding, Scott, Vincent, Wells. For: 16; *Motion Passes*.

Motion that the Board Approve Engineering and Construction payments for June 2023 in the amount of \$4,108,353.69 and July 2023 in the amount of \$2,675,982.99 made by Al Mansell and seconded by Greg McPhie.

Trustees For: Brennan, Andersen, Bronson, Christensen, Farrell, Garner, Hanberg, Haslem, Kenison, Mansell, McPhie, Neves, Riding, Scott, Vincent, Wells. For: 16; *Motion Passes*.

CUP COMPLETION COMMITTEE - KIRK L. CHRISTENSEN, CHAIR

Mark Breitenbach, Engineering Manager, presented the Water Disposal Agreement Between Summit Creek Irrigation and Canal Company and CUWCD for the Spanish Fork Santaquin Pipeline - Santaquin Reach Pipeline & Turnouts Project. He stated that this project started 19 years ago and this is the final section to approve with the last 4.3 miles to construct. He said that this agreement provides a means for the District to have an assured method of discharging periodic pigging water to the company rather than constructing more expensive water conveyance or impoundment facilities that would be infrequently used. Mark shared that there will be a \$5.2M combined savings with this project.

Motion that the Board Approve the Water Disposal Agreement, as to form, including the amount up to \$750,000.00 and \$2,000 one-time operations and authorize District officers to sign the agreement made by Kirk Christensen and seconded by Jon Bronson.

Trustees For: Brennan, Andersen, Bronson, Christensen, Farrell, Garner, Hanberg, Haslem, Kenison, Mansell, McPhie, Neves, Riding, Scott, Vincent, Wells. For: 16; *Motion Passes*.

Motion that the Board Approve Change Order No. 3 to the Construction Contract with Ames Construction, Inc. for the Spanish Fork Santaquin Pipeline – Salem Reach 1 Project in the amount of \$550,823.06 and authorize District officers to sign the Change Order made by Kirk Christensen and seconded by Jim Riding.

Trustees For: Brennan, Andersen, Bronson, Christensen, Farrell, Garner, Hanberg, Haslem, Kenison, Mansell, McPhie, Neves, Riding, Scott, Vincent, Wells. For: 16; *Motion Passes*.

Motion that the Board Approve Engineering and Construction payments for June 2023 in the amount of \$3,141,883.76 and for July 2023 in the amount of \$1,162,560.08 made by Kirk Christensen and seconded by Marvin Kenison.

Trustees For: Brennan, Andersen, Bronson, Christensen, Farrell, Garner, Hanberg, Haslem, Kenison, Mansell, McPhie, Neves, Riding, Scott, Vincent, Wells. For: 16; *Motion Passes*.

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LEGAL & LEGISLATIVE COMMITTEE - STEVE FARRELL, CHAIR

Rachel Musil, Water Supply Manager, presented the agreement by and among Central Utah Water Conservancy District, Provo City Corporation, and the U.S. Department of the Interior pertaining to the Provo City Aquifer Storage and Recovery Project. She gave a brief history of Provo City's water supply and the District's concerns about the impact of Provo City's winter water use on the CUP water supply. Rachel stated that the City and District have worked to create this agreement with concessions on both sides.

Motion that the Board Approve the Agreement by and among Central Utah Water Conservancy District, Provo City Corporation, and the U.S. Department of Interior, and authorize District officers to execute the agreement made by Steve Farrell and seconded by Max Haslem.

Trustees For: Brennan, Andersen, Bronson, Christensen, Farrell, Garner, Hanberg, Haslem, Kenison, Mansell, McPhie, Neves, Riding, Scott, Vincent, Wells. For: 16; *Motion Passes.*

Motion that the Board Adopt Resolution 2023-08-11 appointing Strawberry Water Users Association appointees to the Mt. Nebo Water Agency Board made by Steve Farrell and seconded by Jon Bronson.

Trustees For: Brennan, Andersen, Bronson, Christensen, Farrell, Garner, Hanberg, Haslem, Kenison, Mansell, McPhie, Neves, Riding, Scott, Vincent, Wells. For: 16; *Motion Passes.*

FINANCE, AUDIT, AND BUDGET COMMITTEE - GREG MCPHIE, CHAIR

Motion that the Board Approve the Financial Reports as certified by the Chief Financial Officer, for the periods ending June and July 2023, and the Expenditure Reports for the same periods totaling \$16,099,854.87 and \$15,288,419.09 respectively made by Greg McPhie and seconded by Jim Riding.

Trustees For: Brennan, Andersen, Bronson, Christensen, Farrell, Garner, Hanberg, Haslem, Kenison, Mansell, McPhie, Neves, Riding, Scott, Vincent, Wells. For: 16; *Motion Passes.*

Trustee Kathy Loveless joined the meeting electronically at 1:59 p.m.

Bronson Stewart, Controller, presented the Service Agreement for Enterprise Resource Planning (ERP) Software. He explained the current District's finance software is at the end of its useful life with a lack of timely and ongoing support being a concern, and the current system is not able to communicate with other District software systems such as asset management and project management. Bronson reported that the estimated RFP budget range for the system was between \$800,000.00 and \$1,900,000.00 which includes implementation costs and five years of hosting fees. The contract would also allow for ten additional optional one-year extensions (potential total of 15 years). Tyler Technologies exceeded the ERP selection committee's expectations. Tyler's initial cost proposal was within the preliminary budget range and negotiations are in final stages. Staff recommended awarding a contract amount not to exceed \$1.3M for both implementation and up to a 5-year term.

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Motion that the Board Award a service agreement for Enterprise Resource Planning software services to Tyler Technologies, Inc. for the amount not to exceed \$1,300,000.00 for both implementation and up to a 5-year term and authorize District officers to sign the agreement subject to final District legal counsel review made by Greg McPhie and seconded by Al Mansell.

Trustees For: Brennan, Andersen, Bronson, Christensen, Farrell, Garner, Hanberg, Haslem, Kenison, Loveless, Mansell, McPhie, Neves, Riding, Scott, Vincent, Wells. For: 17; *Motion Passes*.

Bronson next presented Resolution 2023-08-12 Interlocal Agreement with the American Fork City Redevelopment Agency for the Patriot Station Community Reinvestment Project Area. He stated that the agreement meets the District's participation levels and guidelines, the participation period is no more than 20 years, and the tax increment is capped at \$2,784,573.00.

Trustee Bronson asked about a difference between the project's budget plan and the interlocal agreement. Bronson Stewart, Controller, reported that the District was able to talk with the agency and received an acceptable explanation.

Trustee Farrell asked if the District is showing favoritism by giving a portion of the tax increment to the agency, and Bronson stated that the agreement is within District guidelines and the District wishes to be a good partner with these agreements. Rob Moore, District Counsel stated that the Legislature has redone the statute so that District's don't have a real option to approve or decline many of the future tax increment agreements. Trustee Mansell asked about the current tax on the property and value and Trustee Bronson stated that according to the amended project area plan the 20-year incremental revenues without a CRA would be \$26.6M or \$71.7M with incentivized development.

Motion that the Board Adopt Resolution 2023-08-12 approving an interlocal agreement with the American Fork City Redevelopment Agency for the Patriot Station Community Reinvestment Project made by Greg McPhie and seconded by Kirk Christensen.

Trustees For: Brennan, Andersen, Bronson, Christensen, Garner, Hanberg, Haslem, Kenison, Loveless, Mansell, McPhie, Riding, Scott, Vincent, Wells. Trustees Against: Farrell, Neves. For: 15; Against: 2; *Motion Passes*.

Bronson next presented Resolution 2023-08-13 Interlocal Agreement with the Heber City Community Redevelopment Agency for the Heber City Downtown Community Reinvestment Project Area. He stated that the agreement meets the District's participation levels and guidelines, the participation period is no more than 20 years, and the tax increment is capped at \$1,000,000.00. Trustee Scott asked what this designation is for, and Trustee Farrell stated that Heber wishes to revitalize downtown and change some of the gathering places. He also said that Heber City has approved the agreement as of today, but Wasatch County and the school district have not yet signed the agreement.

Motion that the Board Adopt Resolution 2023-08-13 approving an interlocal agreement with the Heber City Community Redevelopment Agency for the Heber City Downtown Community Reinvestment Project made by Greg McPhie and seconded by Jennifer Scott.

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Trustees For: Brennan, Andersen, Bronson, Christensen, Garner, Hanberg, Haslem, Kenison, Loveless, Mansell, McPhie, Riding, Scott, Vincent, Wells. Trustees Against: Farrell, Neves. For: 15; Against: 2; *Motion Passes*.

Motion that the Board Adopt Resolution 2023-08-14 which sets the District's fiscal year 2023-2024 final tax rate of 0.0004 in each respective county in the District made by Greg McPhie and seconded by Jim Riding.

Trustees For: Brennan, Andersen, Christensen, Farrell, Hanberg, Haslem, Kenison, Loveless, Mansell, McPhie, Neves, Riding, Vincent, Wells. Trustees Against: Bronson, Garner, Scott. For: 14; Against: 3; *Motion Passes*.

Motion that the Board Adopt Resolution 2023-08-15 which adopts the 2023-2024 fiscal year budget made by Greg McPhie and seconded by Wayne Andersen.

Trustees For: Brennan, Andersen, Bronson, Christensen, Farrell, Garner, Hanberg, Haslem, Kenison, Loveless, Mansell, McPhie, Neves, Riding, Scott, Vincent, Wells. For: 17; *Motion Passes*.

Motion that the Board Strike Item 7 made by Greg McPhie and seconded by Jon Bronson.

Trustees For: Brennan, Andersen, Bronson, Christensen, Farrell, Garner, Hanberg, Haslem, Kenison, Loveless, Mansell, McPhie, Neves, Riding, Scott, Vincent, Wells. For: 17; *Motion Passes*.

Motion that the Board Strike Item 8 made by Greg McPhie and seconded by Jon Bronson.

Trustees For: Brennan, Andersen, Bronson, Christensen, Farrell, Garner, Hanberg, Haslem, Kenison, Loveless, Mansell, McPhie, Neves, Riding, Scott, Vincent, Wells. For: 17; *Motion Passes*.

Motion that the Board Enter into Closed Session at 2:32 p.m. made by Kirk Christensen and seconded by Greg McPhie.

Trustees For: Brennan, Andersen, Bronson, Christensen, Farrell, Garner, Hanberg, Haslem, Kenison, Loveless, Mansell, McPhie, Neves, Riding, Scott, Vincent, Wells. For: 17; *Motion Passes*

CLOSED SESSION TO DISCUSS THE PURCHASE, EXCHANGE, OR LEASE OF REAL PROPERTY, INCLUDING ANY FORM OF A WATER RIGHT OR WATER SHARES (UCA 52-4-205(1)(D)(I)(II))

Trustees Present: Shelley Brennan, Wayne Andersen, Jon Bronson, Kirk Christensen, Steve Farrell, Wade E. Garner, Steve Hanberg, Max Haslem, Marvin Kenison, Kathy Loveless (phone), Al Mansell, Greg McPhie, Eldon Neves, Jim Riding, Jennifer Scott, Randy Vincent, and Brad Wells.

Staff Present: Gene Shawcroft, Lisa Anderson, Kirk Beecher, Bart Leeflang, Robert Moore, Dave Pitcher, Mike Whimpey, and Gerard Yates. Guest Present: Tim Pack from Clyde Snow.

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OPEN SESSION

Motion that the Board Enter into Open Session at 3:05 p.m. made by Brad Wells and seconded by Jim Riding.

Trustees For: Brennan, Andersen, Bronson, Christensen, Farrell, Garner, Hanberg, Haslem, Kenison, Loveless, Mansell, McPhie, Neves, Riding, Scott, Vincent, Wells. For: 17; *Motion Passes*.

Motion that the Board Un-table Items 6.B.4 and 6.B.5 made by Al Mansell and seconded by Greg McPhie.

Trustees For: Brennan, Andersen, Bronson, Christensen, Farrell, Garner, Hanberg, Haslem, Kenison, Loveless, Mansell, McPhie, Neves, Riding, Scott, Vincent, Wells. For: 17; *Motion Passes*

Motion that the Board Approve the purchase of real property for the construction of the North Shore Terminal Reservoir Pump Station together with associated pipeline easements and authorize District officers to sign the real estate purchase agreement made by Al Mansell and seconded by Marvin Kenison.

Trustees For: Brennan, Andersen, Bronson, Christensen, Farrell, Garner, Hanberg, Haslem, Kenison, Loveless, Mansell, McPhie, Neves, Riding, Scott, Vincent, Wells. For: 17; *Motion Passes*.

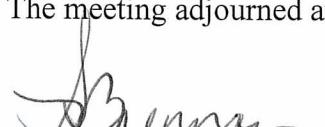
Al stated that item 6.B.5 is Approval of Resolution 2023-08-10 Filing of an Eminent Domain Action to Acquire Real Property Located in Highland, Utah for the Purpose of Constructing Water Facilities and Related Improvements and Shelley stated that Public Comment is opened. She recognized Melanie Clark with Foley & Lardner who is representing property owner Spurlino Highland, LLC. Melanie stated that the property owner is not contesting the action and that the District and property owner were negotiating on price. Rob Moore, the District's General Counsel, mentioned that the District and the landowner were planning on mediation through the Ombudsman's Office.

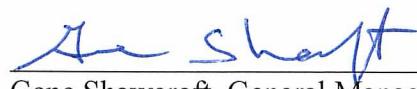
Motion that the Board Adopt Resolution 2023-08-10 Approving the Filing of an Eminent Domain Action to Acquire Real Property Located in Highland, Utah for the Purpose of Constructing Water Facilities and Related Improvements made by Al Mansell and seconded by Wayne Andersen.

Trustees For: Brennan, Andersen, Bronson, Christensen, Farrell, Garner, Hanberg, Haslem, Kenison, Loveless, Mansell, McPhie, Neves, Riding, Scott, Vincent, Wells. For: 17; *Motion Passes*.

Motion that the Board Adjourn made by Wayne Andersen.

The meeting adjourned at 3:17 p.m.


Shelley Brennan, Chair


Gene Shawcroft, General Manager