

APPROVED
APRIL 24, 2024

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MINUTES OF THE **WORK SESSION** OF THE BOARD OF TRUSTEES OF THE CENTRAL UTAH WATER CONSERVANCY DISTRICT HELD ON WEDNESDAY, APRIL 24, 2024, AT 11:30 AM AT DISTRICT HEADQUARTERS, OREM, UTAH.

TRUSTEES PRESENT

Shelley Brennan, Chair
Wayne Andersen, Vice-Chair
Kirk Christensen
Steve Farrell
Wade E. Garner

Steve Hanberg
Max Haslem
Marvin Kenison
Kathy Wood Loveless
L. Alma Mansell

Greg McPhie
Jim Riding
Jennifer Scott
Randy Vincent
Brad Wells

TRUSTEES EXCUSED

Jon Bronson
Eldon Neves

STAFF PRESENT

Gene Shawcroft, General Manager
Lisa Anderson, Board Executive Assistant
Shannon Babb, Instruct. Curriculum Specialist
Kirk Beecher, Lands Manager
Gary Brimley, Water Rights Engineer
Jim Brooks, Human Resources Manager
Brent Chase, Computer Systems Specialist
Heath Clark, Asset Management Manager
John Coker, IT Manager
Jared Hansen, CUP Manager
Shaun Hilton, Project Engineer
Shawn Lambert, CFO
Bart Leeflang, Assistant General Manager
Rick Maloy, Strategic Initiatives Manager
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
Brad Perkins, Project Engineer
Carolyn Quigley, Administrative Assistant
Mike Rau, Water Quality Manager
Bronson Stewart, Controller
Amanda Strack, Water Conservation Manager
Sarah Sutherland, Environmental Program Manager
Bruce Ward, Chief Engineer
Mike Whimpey, Assistant General Manager
Dan Wood, Cisco Security Engineer
Gerard Yates, Deputy General Manager

Trustee Shelley Brennan, Board Chair, called the Work Session to order at 11:34 a.m.

Chair Brennan handed out a list of the new Board Committees and stated that as the District moves forward, some of the committees were being restructured to have a better focus on what the District does. Chair Brennan also said that there are some changes to committee chairs and some changes where Trustees will serve. The Engineering and Operations Committee will be split into two, with Technical and Professional Services (Engineering, Construction, Asset Management, IT/OT) being chaired by Trustee Jim Riding, with Trustees Steve Farrell and Eldon Neves sitting on the committee. There is a new Operations Committee (Raw & Finished Water O&M, Water Quality, Watershed Management, Water Science, Emergency Management, and Safety) which will be chaired by Trustee Al Mansell with Trustees Wade Garner and Brad Wells sitting on the committee.

Chair Brennan continued and stated that the Legal Committee will be chaired by Trustee Marvin Kenison with Trustee Max Haslem sitting on the committee. The Finance, Audit, and Budget

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Committee will be chaired by Trustee Greg McPhie, with Trustees Jon Bronson, and Steve Hanberg sitting on the committee. She reported that the Public Affairs Committee will move to create the Environmental, Conservation, & Communications Committee with Trustee Jennifer Scott serving as chair and Trustee Randy Vincent sitting on the committee. The CUPCA Committee will become Water Supply Planning/CUPCA Programs Committee (Water Supply Planning, CUPCA, Colorado River) with Trustee Kirk Christensen as chair and Trustee Kathy Loveless as a committee member. Chair Brennan stated that for the May 22nd meetings the Trustees will attend the committees as they are currently assigned. A vote will take place on the new assignments at that meeting and the new committees will be effective for the June meetings.

After Chair Brennan closed her remarks, Shannon Babb, Instructional Curriculum Specialist, shared with the Board that the District has provided to each of them at their placemat a book and other instructional materials celebrating Water Week 2024, which is May 5th - 11th. She stated that the book and instructional materials are being provided to the libraries within District boundaries.

Rob Moore, District Legal Counsel, presented an overview of the proposed 2024 Administrative (Admin) Code updates to the Board. He explained that the Admin Code describes many of the District's processes and he spent significant time reviewing, updating and aligning items in the code. Rob stated that several modifications were made, including replacing the term "Chairman" with "Chair", removing all references to Sanpete County, changing names and functions of the Board committees, and modifying Section 5404.04 to conform to Utah Code Section 17B-1-608 related to the tentative budget.

He then reviewed several additions to the Admin Code including adding references to conform to Utah Code 17B, provisions applicable to all special districts, adding the ability to authorize the use of electronic signatures, adding additional applicable reasons for closed meetings, and adding other items as listed in the Board Packet, as well as some other technical, conforming, and formatting changes. Rob stated that the modifications and additions would be on the agenda for consideration to approve at the May 22nd Board Meeting. He also shared that he would prepare a legislative update to send electronically to the Trustees prior to the May Board Meeting for their review.

Jared Hansen, CUP Manager, presented the Capital Replacement Plan (CRP) 5-Year proposed rate structure. Jared covered the raw water Bonneville Unit facilities component of the CRP which addresses aging infrastructure that the District operates and relies upon. He stated that all the water supply contracts are in perpetuity and the District cannot have unplanned interruptions to its water deliveries, so it needs to operate at a very high degree of reliability. Further, the District cannot rely on federal funding for rehabilitation and replacement activities. Jared gave a history of previous rates for raw water, shared projects that have been funded through CRP, and explained how future projected costs are developed and who is involved in the process. He proposed that the District increase the operation, maintenance and reserve (OM&R) charge by \$5.00 per year for the next five years, which will bring the total OM&R cost to \$100 per acre foot by 2030.

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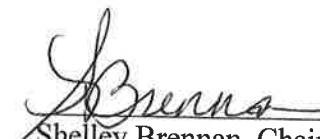
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Shaun Hilton, Project Engineer, then gave a history of the rates for treated water, shared examples of projects that have funded through CRP, explained how the future projected costs for treated water are developed, and who is involved in the process. He proposed that the District increase the cost by \$5.00 per year beginning in 2027, with an incremental annual increase of \$1.00 per year for the next five years resulting in an increase of \$9.00 per acre foot in 2031. This would bring the total reserve and replacement cost for treated water to \$67.50 per acre foot at the end of the five-year rate period.

Shaun explained that the CRP rates for both CUP and treated water facilities is not covering the total outlays for rehabilitation and replacement projects and stated that the goal for both programs is to slow the annual deficit and cover a greater percentage of the cost to maintain and replace aging infrastructure with user rates.

There were no committee reports.

The meeting adjourned at 12:15 p.m.



Shelley Brennan, Chair



Gene Shawcroft, General Manager