

The Quarterly Meeting of the Board of Trustees of the Carbon Water Conservancy District was held Tuesday July 16, 2024 in the Downstairs Conference Room at the Carbon County Administration Building, 751 East 100 North, Price, UT 84501.

Present:

Jon Richens, Trustee, Chairman  
Christian Bryner, Attorney  
Gordon Odendahl, Clerk  
Russell Seeley, Trustee (Remote)  
Daniel Allen, Trustee, Vice Chairman  
Keith Cox, Trustee, Treasurer

Also Present:

Derris Jones, Assistant Dam Tender  
R.J. Davis, Dam Tender  
Janelle Jensen, Assistant Finance Director  
Bryan Schmutz, USBR (Remote)  
Doug Rasmussen, Finance Director  
Bill Butcher - PRWUA  
Dale Wilson - PRWUA

Excused:

Brad Timothy, Trustee

1. Open Meeting and Introduction of Guests.

Chairman Richens opened the meeting at 3:02 PM and welcomed everyone in attendance.

2. Review and Possible Approval of Minutes from Special Meeting on 4/16/2024.

There were no comments or concerns about the minutes. Trustee Cox made a motion to approve the minutes as presented. Trustee Seeley seconded the motion, and the motion was approved unanimously.

3. Dam Tender's Report – RJ Davis.

Dam Tender RJ Davis reported that the current elevation of the reservoir is 7,607.08 ft. This correlates to 64,536 acre ft of storage which is 98% full of usable capacity. We are currently releasing 135 cfs. The reservoir stopped going over the spillway on July 10<sup>th</sup>. Dam Tender Davis reported that we recently had our annual site inspection with the USBR in mid-June. The inspection went ok and there were no extremely important issues noted as a result of the inspection. Dam Safety was ok. It was noted however that the welds on the fencing across the top of the spillway (which were recently repaired by BODEC as part of the repairs from the recent truck accident on the dam) were breaking due to snow being pushed against the fence by snowplows last Winter. Chairman Richens asked about the condition of the spillway now that water has stopped flowing over the spillway. Dam Tender Davis noted that we have a bunch of new pop-outs in the concrete. Chairman Richens stated that we will get together with the Bureau and thoroughly inspect the damages to the concrete and see what repairs will need to be made in anticipation of using it again. Finance Director Rasmussen asked what was typical duration of water spilling over the spillway as he noted that spilling in July seemed late in the year for the reservoir to spill. Dam Tender Davis noted that usually the end of May was typically the end of spilling, if it spilled. It is more typical for the reservoir not to spill but we have had 2 good winters in a row now and it spilled both years and especially this most recent water year when we had a lot of moisture. Assistant Dam Tender Jones noted that last year (2023) it spilled much earlier in the season than usual because we were not able to release water early in the season due to the work not being completed on the Small Regulating Gate Project until April, 2023. Trustee Seeley commented that he thought RJ and Derris again did a very good job of managing the level of

and flows from the reservoir, anticipating the future runoff and working to prevent downstream flooding. Trustee Seeley noted that there were some questions and complaints from outside sources during runoff season, but he thanked all those involved for their work in preventing problems that could have occurred if things hadn't been managed so professionally.

4. Public Comments on Matters Concerning Carbon Water Conservancy District

Note: Public Comments will be limited to 2 Minutes per Person. Public Comments or Requests from the Public may not be voted upon by the CWCD Board at this meeting because they are not listed as Agenda Items for the current meeting.

There were no comments from the public.

5. Discuss and Possible Approval of 2<sup>nd</sup> Qtr. 2024 – YTD Financial Statements - Doug Rasmussen –Janelle Jensen.

Assistant Finance Director Janelle Jensen presented the Financial Statements as of June 30, 2024 for consideration by the Trustees. Ms. Jensen stated page 1 of the Balance Sheet shows the total of all Cash (Checking and Savings Accounts) is \$1,931,996 and Total Assets of \$4.4 million. Current Liabilities are \$155,240. Total Liabilities and Equity are \$4.4 million showing the Balance sheet to be in balance. On the 3<sup>rd</sup> page is the Profit and Loss Statement for 2<sup>nd</sup> Qtr. 2024. It shows Income of \$133,991 Expenses of \$88,445 and Net Income of \$45,546. The P&L Statement Actual vs Budget was presented along with P&L by Class showing income and expenses for each Fund - Capital Projects, Debt Service and the General Fund. Ms. Jensen noted that the original report sent out did not include the Budgeted Revenue from Property Taxes on the Actual vs Budget report, but today's statements have been corrected to show that revenue. Finance Director Rasmussen noted that the Revenue "was" posted in the QuickBooks program, but it was posted in December, so was not visible on the current reports. This has now been corrected so it will show up on the current reports. Also included in the reports is a General Ledger Report showing all of the individual transactions for 2<sup>nd</sup> Quarter 2024. Finance Director Rasmussen noted that we are required by the State Auditor to show a General Ledger listing quarterly of each individual transaction so that is the reason for the larger number of pages in the reports. Chairman Richens asked that since we were halfway through the year if there were any problems indicated so far this year with our finances. Finance Director Rasmussen stated that everything looks good to them so far. Clerk Odendahl also stated he did not see anything that is unusual. Clerk Odendahl noted that since the last reports we have paid the USBR for the annual loan payment and we have received those funds as well as the Cost Sharing money from PRWUA. Trustee Cox made a motion to accept the 2<sup>nd</sup> Quarter 2024 Financial Statements as presented. Trustee Allen seconded the motion. The motion was passed unanimously.

6. Report on Audit Committee Meeting, Discuss and Possibly Ratify Agreed Upon

Procedures Report from Keddington & Christensen - Doug Rasmussen and Janelle Jensen.

Finance Director Rasmussen reported that the Audit Committee met at the offices of Smuin Rich & Marsing on June 17, 2024 at 11:00 AM. The Committee consists of Finance Director Doug Rasmussen, Assistant Finance Director Janelle Jensen, Clerk Gordon Odendahl and Trustee Russell Seeley. Mr. Rasmussen noted the purpose of the meeting was to discuss the ongoing Agreed Upon Procedures (Audit) process which was currently nearing completion and to review the Districts' current financial processes and procedures. Mr. Rasmussen then reviewed the Agreed Upon Procedures Report and

briefly described the process and reasoning for the process. The Agreed Upon Procedures process is similar to a formal Audit and most of the processes performed in the AUP are also the same processes performed in an Audit. The main difference is the AUP is a statement of facts on what processes and procedures were performed and completed. With the Audit the auditing firm offers a formal opinion on whether or not the processes and procedures were performed and completed in accordance with the rules and regulations stipulated by the State Auditor. Mr. Rasmussen reviewed the first page which reported on the procedures we are required to follow. There were “no exceptions” on the first page. The second page showed where they looked at our accounting records for any unusual items that might indicate fraud, non-compliance and/or illegal acts. We provide details for disbursements, revenues and expenses for their review. There were “no exceptions” noted on the second page. On page three it shows they reviewed other procedures such as cash, including bank reconciliations and checking for accuracy. Again there were “no exceptions” noted on page three. On page four it shows they review our minutes to make sure they are complete and posted properly. They also review our budgets and the required meetings and public hearings to see if we are following the proper procedures. There were “no exceptions” listed on page four. On page five they review our fund balances. One of the main things they look at is deficit fund balances. They also make sure our general fund balance is within the limitations for unappropriated or unrestricted funds. Mr. Rasmussen noted that none of our funds have deficit balances and all funds fell within the required limitations required by the State Auditors Office. There were “no exceptions” noted on page five. Page six deals with training, fraud risk and other compliance issues. We did have one exception pertaining to Conflict of Interest forms. The forms need to be signed annually. This will be taken care of today so we don’t have an issue with this next year. Mr. Rasmussen noted that this is a minor compliance issue and there were no issues with anything Financial. Overall this is a very good report and as stated before the conflict of interest forms will be taken care of today. Mr. Rasmussen stated that the Agreed Upon Procedures has been filed with the State Auditors Office as we are required to do so before June 30<sup>th</sup> of each year, but we also need to formally ratify the report. Chairman Richens thanked Mr. Rasmussen for the report and also thanked all those on the Audit Committee for their work and assistance. Chairman Richens stated that we need to make the Conflict of Interest forms either part of our annual training process or designate a certain meeting each year to complete the forms such as either the Annual Meeting or the first meeting of each year. Finance Director stated that this is the first year we have had the audit committee and it is nice that we have the opportunity to meet separately as a committee to review our processes and procedures. It gives us one more opportunity to review our work. Trustee Allen made a motion to Ratify the Agreed Upon Procedures Report for December 31, 2023 as presented by Keddington & Christensen CPA’s. Trustee Cox seconded the motion. The motion was passed unanimously.

7. Review and possibly approve the proposed June 2022 Area and Capacity Tables and Proposed 2022 Reservoir Capacity Allocations (RCA) sheet from the recent Bathymetric Survey.

Chairman Richens reviewed the new Rating Tables which are a result of the Bathymetry Study which was done by USBR in 2022/2023. The new tables show the reservoir’s capacity as 64,573 acre ft. which is down 1,227 acre ft. from the last revisions from approximately circa 1972. This loss reduces the reservoirs capacity by 1.9%. Also included in the information that was sent out were newly revised tables showing the reservoir’s storage at various lake elevations. Chairman Richens stated the Bureau of Reclamation has asked that we formally approve these revised tables in our next meeting.

Trustee Allen asked what affect this new information would have on the accumulated water rights that currently exist for Scofield Reservoir with the reservoir's capacity loss of approximately 1,200 acre ft. of water and if all holders of water rights would have their rights reduced proportionally, or if we know how this would work. Chairman Richens asked PRWUA President Bill Butcher if he had any knowledge of how this would affect storage rights. Mr. Butcher stated that PRWUA has 30,000 acre ft. of storage which are senior rights to the approximately 42,000 acre ft. which is owned by USBR. Mr. Butcher said he assumes that the 1,200 acre ft. loss of storage would be taken away from the USBR's rights and the water users would still have their 30,000 acre ft of water. Mr. Butcher asked if we had considered the implications of adopting these tables today showing this loss of storage and the possibility that maybe we could transfer this lost water capacity to somewhere else if we did some research first. Mr. Butcher stated that he had discussed this possible situation with Mark Stilson from the Division of Water Rights several years ago and Mr. Stilson thought there was a possibility that this loss due to sedimentation over the years could be transferred to somewhere else – such as a lower elevation reservoir. However since the 1,200 acre ft. theoretically might belong to the Bureau of Reclamation, then maybe the Bureau would have the say on what happens to the water. Mr. Butcher expressed the opinion that if we adopt these tables today, there might be a possibility that some other entity could swoop in and claim these water rights. For reference purposes. Mr. Butcher stated the Water Users Association rights are 91-2 and 91-78. One is for 12,000 acre ft and the other is for 18,000 acre ft. Mr. Butcher said he couldn't recall the number on the USBR's water right but he believed it was for 42,000 acre ft. annually. The lost 1,200 acre ft might also just reduce the Deadpool. Attorney Christian Bryner stated that even considering the change in the deadpool, he still believed that the water users would have the right to call upon the full 30,000 acre ft. of storage rights. USBR Liaison Officer Bryan Schmutz stated that based on circumstances at other reservoirs, many times if lost storage is 5% of capacity over a period of 80 years, then they are allowed to build another reservoir upstream to capture that lost capacity. Trustees Allen, Seeley, Cox and Chairman Richens all felt that it would be prudent to table this Agenda Item until we have a chance to gather more facts. We do not want to set a precedent or rush into a decision until we have had a chance to investigate and learn all we can about this change in the reservoir's capacity. Chairman Richens stated that we would table this item and he would take it upon himself to contact USBR Area Manager Rick Baxter as well as the State Engineer about the ramifications of a decision such as this.

8. Ratify Certified Tax Rate for 2024 Property Taxes.

Clerk Odendahl stated that we had to accept the Certified Tax Rate that the County has set for our District before the end of June. The rate we accepted was .000122. Based on the projected Assessed Property Values, the projected Property Tax revenues from this rate would be \$271,267.00 Clerk Odendahl stated that our budgeted Tax Revenue for the year is \$271,110.00 so this projection is just a little over \$100.00 above our budgeted revenue. This will fall within the 2024 Budget by approving the Certified Tax Rate. Trustee Cox made a motion to ratify the 2024 Certified Tax Rate for 2024 Property Taxes. Trustee Allen seconded the motion. The motion was passed unanimously.

9. Continued Discussion and Possible Approval of Piezometer Automation for Scofield Dam as Requested by USBR – RJ Davis, Dam Tender – Jon Richens, Chairman.

Chairman Richens explained about the request from USBR concerning automating the piezometers located below the dam. This request is the result of a trip by Jen and James from USBR last winter to accompany Dam Tender RJ Davis to read the piezometers. Because the reservoir elevation was considerably higher than usual for this time of year, the USBR wanted to get piezometer readings on the possible failure points around the dam just to check groundwater around the dam. The snow was very deep and they had to hike in on snowshoes and then dig several feet down through the snow to access the piezometers. It was very difficult to get the readings, so we were asked if we would automate the piezometers in order to be able to more easily have access to the readings. Chairman Richens asked USBR Bryan Schmutz if there was a way the USBR could help us with cost of the automation which is estimated to be around \$32,000.00. Mr. Schmutz replied that James had told him that this would be a shared cost where the Bureau would provide the installation and labor and we would be responsible for the purchase of the instrumentation. Clerk Odendahl stated that at the last meeting we had inquired about financial assistance concerning "Safety of Dams" funding since this was requested by USBR Personnel and actually was related to the safety of Scofield Dam. Mr. Schmutz replied that he would go directly to the Denver Office with this request and report back at a later date. Bill Butcher asked if this was something that would affect the PRWUA cost sharing expenses and if they should be budgeting \$16,000 into their budget for this expense. Chairman Richens replied that it is possible, but first we are trying to see if we could get help from USBR through the Safety of Dams program. If we do have to buy the equipment, Chairman Richens told Mr. Butcher that we would work with them to spread the cost over a longer period of time if necessary. It was decided to wait for an answer from USBR Safety of Dams before we commit to this expense.

10. Discuss and Ratify Letter of Support for Trout Unlimited's Proposed Conservation Project for Scofield Tributaries.

Chairman Richens read a Thank You Letter from Trout Unlimited for our letter of support for Trout Unlimited's Application for Grant Money for a Conservation Project to help clean up the water flowing into the reservoir from the tributaries other than Mud Creek and Winter Quarters Creek. An email explaining the letter had been sent out to the Trustees and there were no negative responses to Chairman Richen's email, so the Letter of Support was sent to Trout Unlimited. Chairman Richens read the letter to the group so everyone would know what was said in the letter. The trustees were all supportive that the letter was sent. Trustee Allen made a motion to Ratify the Letter of Support to Trout Unlimited as presented. Trustee Cox seconded the motion. The motion was passed unanimously. A copy of the Letter of Support is attached to these minutes.

11. Report on Annual O & M Meeting with USBR – Jon Richens, Chairman.

Chairman Richens reported that approximately 2 months ago, James Sheridan and Bryan Schmutz from USBR came down and met with Chairman Richens and Dam Tender RJ Davis at Scofield Dam for the annual O & M Meeting. The items discussed came from a standard list of questions that are routine for most all dam applications. They asked about our emergency fund, and asked if there have been any changes recently (such as the low flow regulating gate, etc.) and if there were any O & M recommendations. Chairman Richens stated that our biggest challenges currently are the Strain

Gauges, the current condition of the Spillway, and what is going to be involved to repair the damages. Other items to take care of are replacing or repainting the ladder, and repairing or replacing the fence posts on the bridge above the spillway that RJ mentioned earlier. Upcoming projects discussed were the Instrumentation Automation, and recent accidents on the Dam and what can be done to help prevent future accidents. The rumble strips were destroyed just as soon as the snowplows went over them. Chairman Richens mentioned a solar powered flashing warning sign might be helpful. Bryan Schmutz stated that he would talk to UDOT again to see if any other safety features could be placed near the dam. Other items discussed were the upcoming Annual Site Inspection, that the Toe Drains might be placed higher than they should be, spillway drains, measuring curves pertaining to the spillway for accuracy during times of spilling, and the possibility that the Dive Team will come back this year to try inspecting the outlet again.

12. Review and Possible Approval of Engineering and Technical Services Agreement for the USBR to Provide a Full and Complete Survey of the Embankment Points, Structural Measurement Points and Settlement Plates at Scofield Dam.

Chairman Richens reviewed the requirement from USBR for us to have a survey completed to measure the area of the dam, embankments and other surrounding areas. This is done every 5 years or so to compare with past surveys to make sure there have been no changes in the structure of the dam. This item was a last minute addition to the agenda as we received the information just a few days ago. The proposed cost for USBR to perform the survey is \$6,428.00 Chairman Richens stated we could have an independent surveying firm do the survey if we choose. After discussing the survey and costs, it was determined that we would rather have the Bureau do the survey because they have the experience and expertise do perform the task. USBR Liaison Officer Bryan Schmutz also noted that the quoted cost is a "not to exceed" estimate. The Bureau usually estimates the cost on the high side and they will refund funds after the job is complete and the actual cost is known. Trustee Allen made a motion to approve the Surveying work to be completed by USBR personnel at a cost of \$6,428.00. Trustee Cox seconded the motion. The motion was passed unanimously.

13. Report on Ongoing Business Matters

- a. Update on USBR Engineering Work for New Regulating Gate and Actuator.  
There is no additional information at this time. Chairman Richens stated that he has sent an email to Andy at USBR Denver and has not heard back yet and that to the best of his knowledge we are waiting until the time to proceed with this project gets closer and then we will get updated information from the Denver Office.
- b. Update on Security System Project.  
USBR Liaison Officer Bryan Schmutz reported that he does not have good news at the present time. They are still working on the funding for this and don't expect to have the approval until close to the end of the fiscal year (October). This is probably not going to happen this year.
- c. Update on Installation of Flow Measuring Device.  
Chairman Richens reported that USGS did get a contract from Colorado River Authority of Utah. As of June 13<sup>th</sup>, they installed the gauge at the lower location down below the golf course. Currently it is showing the height of the river, but it will take them a few months to

calibrate before they will be able to measure the flow. As far as the upper location is concerned, they are waiting for right-of-way permits from USBR. They have all the equipment required to proceed just as soon as they get the right-of way approval. They will need a few more weeks and then they will get the gage installed at the upper location which will be below Scofield Dam where the old gauge was located below the outlet works.

d. Update on Inspection and Possible repairs Needed on Spillway.

Chairman Richens noted that it is too early to know yet on this item since we only stopped spilling a week ago. Dam Tender RJ Davis stated that James has indicated he will come down in a couple of weeks to look at the spillway and assess what the damages might be.

e. Discussion and Possible Approval of GRAMA Fee Structure Policy – Revised Version, Christian Bryner.

Attorney Christian Bryner explained that in addition to the proposed policy designating a fee structure, he added some items that in his experience have been helpful to other entities when dealing with the Government Records Access and Management Act (GRAMA). The proposed policy also designates the Clerk as Records Manager, provides for an Appeal Process for instances when a request for documents or records has been denied - the Chairman is designated as the Chief Administrative Officer who would be responsible to review and make the final decisions concerning these appeals. Provides an official form which is to be submitted for records requests. Designates that we classify each request as either Public, Private, Controlled, Protected or Restricted – this is required by law.

Designates a fee structure. 1<sup>st</sup> ½ hour must be free, then \$30.00 per hr. for research. Fee structure allows for a deposit to be required if deemed necessary. Designates that Copyrighted, Patented, or Trade Secrets are not allowed to be disclosed. The policy designates that we are not allowed to charge for time where someone comes in and reviews our records on site without requiring us to mail or email the records. Trustee Cox made a motion to approve the GRAMA Fee Schedule Resolution. Trustee Allen seconded the motion and the motion was passed unanimously.

f. Possible Approval of 2024 Conflict of Interest Policy – Updated Forms to be Signed by Trustees & Officers.

Conflict of Interest Forms were passed out and everyone was asked to review the form, fill it out and turn in the signed forms to Clerk Odendahl or Assistant Finance Director Janelle Jensen.

g. Report on Price River Water Resources Committee.

Trustee Seeley stated that all recent meetings that had been scheduled were eventually cancelled, so there were no recent meetings he was aware of. PRWUA President Bill Butcher reported that there was a meeting today at 2:00 PM of the PRWR Technical Subcommittee. They were discussing who should own the dam, outlet works and infrastructure. Mr. Butcher stated that there is kind of a push for CWCD to eventually take over the project and to own and operate the dam, and outlet works. Mr. Butcher stated the CWCD is the logical entity to basically take the project over. He further stated that maybe we should be thinking about this if and when the proposed project gets further along.

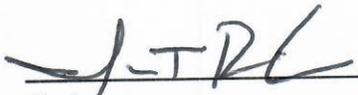
14. Unfinished Business or any New Business.

Clerk Odendahl reported to the group that we had recently received a request from LRB Public Finance Advisors for information. This company has been retained by the Division of Natural Resources to study the funding of water infrastructure and operations. Clerk Odendahl reported they were asking when CWCD was founded, what is our tax rate, the population we serve and what counties we serve. Since this was somewhat of an unusual request for information, we asked for a little more information concerning the reasons for this request. We were told that the State Legislature is wrestling with the value of applying property tax revenues to offset water operational expenses, how those property taxes are being utilized and if there is a more equitable structure to have every entity (governmental, commercial, residential, non-profit and those in-between) to pay their fair share of water development and deliveries. They're collecting information across the western states that will be compiled into a study outlining the practices from inside and outside of the State of Utah to fund water operations. We have answered most of the questions except for the maximum tax rate, which is confusing when looking at the code, so we have told them we will have to get a legal opinion from our attorney on that question. We are not sure where this will lead, but we wanted to advise the trustees that other state entities are looking at our operation as well as other similar water related groups around the state/region.

Chairman Richens stated that we have also been informed that Intermountain Electronics has been able to purchase a piece of property next to their operations East of Price and they will be wanting to attend one of our meetings in the near future to see about possibly adding this additional property to the existing tax incentive program that we were part of 2 or 3 years ago for their future expansion. The commissioners and Mr. Houston were unable to attend today's meeting, so this could be brought up for our consideration at our next quarterly meeting.

15. Adjourn Meeting.

Chairman Richens asked if there was any further business to discuss. There was no further business. Trustee Cox made a motion to Adjourn the meeting. Trustee Allen seconded the motion and the motion was approved unanimously. Chairman Richens declared the meeting closed at 4:19 PM.

  
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Chairman

  
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Vice Chairman