Our Water. Our Future. Our Choice.

The District's purposes include planning for and facilitating the long-term conservation, development, protection, distribution, management, and stabilization of water rights and water supplies for domestic, irrigation, power, manufacturing, municipal, recreational, and other beneficial uses, including the natural stream environment, in a cost-effective way to meet the needs of the residents and growing population of Cache County.
www.cachewaterdistrict.com

CACHE WATER DISTRICT BOARD OF TRUSTEES
MEETING MINUTES
March 3, 2025

The Cache Water District Board of Trustees convened for a meeting on March 3, 2025, at 5:30 p.m. in the Cache County Historic Courthouse Council Chambers, 199 North Main Street, Logan, Utah.

MEMBERS OF THE BOARD IN ATTENDANCE:

Mark Anderson – Logan #3 Council
Jared Clawson – At-Large Position
Kirt Lindley – At-Large Position
Beth Neilson – Southeast Council District
Jeff Ostermiller - Logan #1 Council District
Bret Randall – Northeast Council District
Brett Roper – At Large Position
Jeannie Simmonds – Logan #2 Council District
Regan Wheeler – Agricultural Representative

MEMBERS OF THE BOARD EXCUSED:

Jonathan Hardman – South Council District
Max Pierce – Northeast Council District

OTHERS IN ATTENDANCE:

Nate Daugs, Eric Franson, Chris Slater, Mark Hurd, Jacob Ames, Debbie Zilles

CALL TO ORDER

Chairman Clawson called the meeting to order at 5:30 p.m.

ACTION: Mr. Anderson moved to approve the amended agenda for tonight, which includes the Manager Report. The motion was approved (8-0).

Yea: Anderson, Clawson, Lindley, Neilson, Ostermiller, Randall, Roper, Simmonds, Wheeler
Absent: Hardman, Pierce, Simmonds

ACTION: Mr. Randall moved to approve the meeting minutes as submitted (amended version). Mr. Lindley seconded the motion. The motion was approved (8-0).

Mr. Roper advised that he had asked that the vote count for the selection of a firm be included in the minutes, which is why an amended version was sent prior to the meeting.

Yea: Anderson, Clawson, Lindley, Neilson, Ostermiller, Randall, Roper, Simmonds, Wheeler
Absent: Hardman, Pierce, Simmonds

Ms. Simmonds was excused for a few minutes; she returned at 5:40 p.m.

PUBLIC INPUT

No comments

CALENDAR

- Mar. 12 – Utah Water Task Force
- Mar. 17-19 Utah Water Users
- Mar. 25-26 Northern Utah Water Users @ Cache Event Center
- Apr. 7 – Regular Board Meeting @ 5:30 p.m.
- Apr. 28 – CWD Workshop 5:00-8:00 p.m. @ USU Water Lab

MANAGER REPORT

Conservation (Utah Waterways) – The new conservation agreement with Utah Waterways will be for five years at $10,000 annually. The cost is similar to that of the Slow the Flow program that CWD has paid for over several years. This new agreement includes an opt-out clause, allowing the Board to terminate the agreement if they believe they are not receiving proper service. When hired, the new outreach coordinator will work closely with this program to provide services to Cache Valley residents.

Mr. Roper asked if there was documentation indicating how much water has been conserved from these programs. Mr. Daugs said there is no documentation; the program focuses more on public education/outreach. Mr. Roper would like to identify the highest users in the area, to begin with; Mr. Daugs said this is something the new Outreach Coordinator can help with.

The Board agreed that this agreement can be signed and sent in.

Trainings – Mr. Daugs encouraged all members to complete the mandatory training by the end of the month and send the certificates of completion to him.

Summer Intern – Dawson Clegg (BYU Environmental Science student) is looking for an internship from April to August. Ms. Neilson said there could be some data entry/GIS work. Mr. Daugs will request his resume and transcripts, and the Board will discuss this further during the April workshop meeting.

Audit – Mr. Daugs met with Davis & Bott regarding the high audit price, as discussed at the last meeting. They agreed to a $7,000 reduction and waived the late fees. Mr. Daugs reached out to the Division of Purchasing, which will review the information request and solicit bids. Ms. Simmonds noted that the audit is due by June 30, 2024. When bids are received, the Board will review and select the firm based on both price and qualifications.

Mr. Roper said the Board needs to establish a minimum purchasing threshold that the Board will review and approve before it is purchased or agreed upon. Mr. Daugs said the amount is listed as $5,000.

FINANCIAL REVIEW – FRAUD RISK ASSESSMENT

-See **-Attachment 1-**

Ms. Simmonds reviewed the information.

Mr. Roper requested that the Fraud Risk Assessment be sent to Board members for review before submission.

Ms. Simmonds will break out the monthly mileage stipend, which will be added to the Travel/Mileage line so it will be easy to identify.

Mr. Wheeler asked about cloud seeing funds. Mr. Daugs said the monthly base fee has been paid, but any remaining amount not spent is left in the budget. The State has been conducting drone cloud seeding (although CWD is not paying for it).

REVIEW PROPOSALS - BLACKSMITH FORK & NORTHERN CITIES STUDIES

Mr. Roper said the last meeting seemed like an ad hoc way to vote for a firm. There should be a clearly written process on how voting should occur. Mr. Ostermiller sent an idea to Mr. Daugs. Mr. Roper suggested that if there are four or fewer candidates, all members should vote for their top choice. If there are five or more candidates, the Board should institute ranked-choice voting, where members choose their top two (with the first choice receiving two points and the second choice receiving one point). The candidate with the majority of votes will be chosen. He would also like to see a ranking criteria rubric developed for future situations. Ms. Neilson agreed and said that would help everyone to consider their decision based on specified criteria.

Mr. Randall asked what would happen in the event of a tie vote. Mr. Ostermiller said the top two choices could be discussed further, and then another vote could be taken between the top two choices. Mr. Roper said the candidate with the most first-choice votes could be a tie-breaker. If the number of first-place votes is tied, those members who did not choose one of the top two candidates would vote again. Mr. Ostermiller recommended having everyone vote on the top two.

<u>ACTION</u>: Mr. Roper made a motion to move to establish a voting system where if there are four (4) or less candidates, each member will vote for their first choice. If there are five (5) or more candidates, members will vote for two candidates with the top choice receiving two points and the second choice receiving one point. The firm with the majority of votes will be chose. In the event of a tie, all members will vote again between the top choices. If there is a tie everyone will revote with the top candidates. Mr. Randall seconded the motion. The motion was approved (9-0).

<u>Yea</u>: Anderson, Clawson, Lindley, Neilson, Ostermiller, Randall, Roper, Simmonds, Wheeler

<u>Absent</u>: Hardman, Pierce

<u>Blacksmith Fork Project</u>

Candidates (3): Gannett Fleming Engineers, Franson Civil Engineers, RB&G Engineering

Mr. Roper said all the candidates are qualified. He would lean toward Gannett Fleming because of their work with the student group. He has positive notes for all the applicants.

Mr. Ostermiller likes the overall approach proposed by Franson; it is the most detailed and logical approach. He appreciates the details and the way it is structured. He also agreed that all the proposals were good. Mr. Randall echoed those same sentiments.

Chairman Clawson spoke with an engineer familiar with all the companies who sent in a proposal. He shared his opinions on the overall cost with Chairman Clawson. Based on his experience, he felt that Gannett Fleming might be a bit pricy, although that can be addressed during the negotiation process. Chairman Clawson reviewed all the proposals and said they are all excellent.

The members submitted their votes.

<u>Vote Total</u>:
Gannett Fleming - 2
Franson - 6
RB&G – 1

<u>Northern Cities Project</u>

<u>Candidates</u> (6): Sunrise Engineering, J-U-B Engineers, Horrocks Engineers, Franson Civil Engineers, Ensign Engineering, Hansen, Allen & Luce

Ms. Neilson said J-U-B is the city engineer for two cities included in the project and wondered if this would be considered a conflict of interest. Mr. Daugs does not think it constitutes an official conflict of interest because three firms have worked with some of the cities (J-U-B, Horrocks, and Sunrise). Some of the smaller cities do not have independent city engineers.

Mr. Randall pointed out that Sunrise is contracted to be the city engineer of Hyde Park, but they can still submit a bid on a particular project. Mr. Roper agreed with this point. Mr. Daugs noted that this could also be a positive because they are familiar with the infrastructure and system.

Ms. Simmonds asked if different firms should be chosen for various projects. Mr. Daugs said that these should not be evaluation criteria; as long as the firm is qualified, its proposal should be considered. Mr. Roper said this is where a criteria rubric would be helpful.

Ms. Nielson noted that Hansen, Allen & Luce provided a very different (academic) approach, which has pros/cons. Mr. Ostermiller agreed that this seemed to be the most qualitative and quantitative.

Mr. Randall said his experience with Sunrise has been positive, and they have always provided quality work. They can essentially “hit the ground running”.

Mr. Daugs pointed out that Mr. Pierce works for Horrocks Engineers; however, he is not part of the bid proposal and will not work on the project. He was absent tonight to avoid any image of a conflict of interest.

Vote Total:

Sunrise Engineering- 13
J-U-B Engineers - 9
Horrocks Engineers - 0
Franson Civil Engineers - 1
Ensign Engineering- 0
Hansen, Allen & Luce - 2

ADJOURN

The meeting adjourned at 6:51 p.m.

- Attachment 1-

Cache Water District
Profit & Loss Budget vs. Actual
January 2025

	Jan 25	Budget	% of Budget
Ordinary Income/Expense			
Income			
Cache County Property Taxes	259,726.59	613,000.00	42.4%
Cloud Seeding	0.00	28,000.00	0.0%
Restricted Income	18,659.62		
Trapper Park Study	0.00	1,500,000.00	0.0%
Utah State Grants	0.00	740,000.00	0.0%
Wellsville Mendon Study NRCS	0.00	250,000.00	0.0%
Total Income	278,386.21	3,131,000.00	8.9%
Gross Profit	278,386.21	3,131,000.00	8.9%
Expense			
Operations			
Insurance and Bonding	0.00	5,000.00	0.0%
Office Supplies	10.69	2,000.00	0.5%
Publications	653.63	3,000.00	21.8%
Rent	4,050.00	5,500.00	73.6%
Technology			
Cell Phone	54.00		
Technology - Other	307.29	4,000.00	7.7%
Total Technology	361.29	4,000.00	9.0%
Vehicle	0.00	10,000.00	0.0%
Total Operations	5,075.61	29,500.00	17.2%
Outreach			
Conservation	0.00	15,000.00	0.0%
Dues	361.00	5,000.00	7.2%
Sponsorships	350.00	2,500.00	14.0%
Training	185.88	5,000.00	3.7%
Website	0.00	2,000.00	0.0%
Total Outreach	896.88	29,500.00	3.0%
Personnel			
Administrative	277.05	1,500.00	18.5%
Salary and benefits	12,610.58	270,000.00	4.7%
Travel and Mileage	294.13	10,000.00	2.9%
Total Personnel	13,181.76	281,500.00	4.7%

Cache Water District
Profit & Loss Budget vs. Actual
January 2025

	Jan 25	Budget	% of Budget
Professional Fees			
Attorney Services	0.00	10,000.00	0.0%
Audit	0.00	10,000.00	0.0%
Financial Services	0.00	5,000.00	0.0%
Total Professional Fees	0.00	25,000.00	0.0%
Project funding			
Cloud Seeding	0.00	63,000.00	0.0%
Logan Observatory	0.00	5,000.00	0.0%
Water Acquisition	0.00	150,000.00	0.0%
Water Studies			
PL566 Logan River	0.00	100,000.00	0.0%
Trapper Park	19,735.95	1,500,000.00	1.3%
Wellsville/Mendon Irrigation	0.00	150,000.00	0.0%
Water Studies - Other	0.00	800,000.00	0.0%
Total Water Studies	19,735.95	2,550,000.00	0.8%
Total Project funding	19,735.95	2,768,000.00	0.7%
Total Expense	38,890.20	3,133,500.00	1.2%
Net Ordinary Income	239,496.01	-2,500.00	-9,579.8%
Net Income	**239,496.01**	**-2,500.00**	**-9,579.8%**

Cache Water District
Profit & Loss Detail
January 2025

Type	Date	Num	Name	Memo	Clr	Split	Amount	Balance
Ordinary Income/Expense								
Income								
Cache County Property Taxes								
Invoice	01/02/2025	157	Cache County 2025			Accounts Rece...	222,039.48	222,039.48
Invoice	01/17/2025	158	Cache County 2025			Accounts Rece...	37,687.11	259,726.59
Total Cache County Property Taxes							259,726.59	259,726.59
Restricted Income								
Invoice	01/02/2025	156	Blacksmith Fork Irrig...			Accounts Rece...	4,753.81	4,753.81
Invoice	01/06/2025	159	Trapper Park			Accounts Rece...	13,617.81	18,371.62
Invoice	01/31/2025	160	Public Employees H...			Accounts Rece...	288.00	18,659.62
Total Restricted Income							18,659.62	18,659.62
Total Income							278,386.21	278,386.21
Gross Profit							278,386.21	278,386.21
Expense								
Operations								
Office Supplies								
Bill	01/28/2025		Altabank			Accounts Paya...	10.69	10.69
Total Office Supplies							10.69	10.69
Publications								
Bill	01/06/2025		Cache County Corp...	Tax hearing p...		Accounts Paya...	653.63	653.63
Total Publications							653.63	653.63
Rent								
Bill	01/06/2025		Cache County Corp...	April-Decemb...		Accounts Paya...	4,050.00	4,050.00
Total Rent							4,050.00	4,050.00
Technology								
Cell Phone								
Bill	01/28/2025		Altabank			Accounts Paya...	54.00	54.00
Total Cell Phone							54.00	54.00
Technology - Other								
Bill	01/28/2025		Altabank			Accounts Paya...	307.29	307.29
Total Technology - Other							307.29	307.29
Total Technology							361.29	361.29
Total Operations							5,075.61	5,075.61

Basis

Cache Water District
Profit & Loss Detail
January 2025

Type	Date	Num	Name	Memo	Clr	Split	Amount	Balance
Project funding								
Water Studies								
Trapper Park								
Bill	01/06/2025		Franson Civil Engine...			Accounts Paya...	19,735.95	19,735.95
Total Trapper Park							19,735.95	19,735.95
Total Water Studies							19,735.95	19,735.95
Total Project funding							19,735.95	19,735.95
Total Expense							38,890.20	38,890.20
Net Ordinary Income							239,496.01	239,496.01
Net Income							**239,496.01**	**239,496.01**

Fraud Risk Assessment

Continued

*Total Points Earned: 335 /395 *Risk Level:

Very Low	Low	Moderate	High	Very High
> 355	316-355	276-315	200-275	< 200

	Yes	Pts
1. Does the entity have adequate basic separation of duties or mitigating controls as outlined in the attached Basic Separation of Duties Questionnaire?	X	200
2. Does the entity have governing body adopted written policies in the following areas:		
a. Conflict of interest?	X	5
b. Procurement?	X	5
c. Ethical behavior?	X	5
d. Reporting fraud and abuse?	X	5
e. Travel?	X	5
f. Credit/Purchasing cards (where applicable)?	X	5
g. Personal use of entity assets?	X	5
h. IT and computer security?	X	5
i. Cash receipting and deposits?	X	5
3. Does the entity have a licensed or certified (CPA, CGFM, CMA, CIA, CFE, CGAP, CPFO) expert as part of its management team?		20
a. Do any members of the management team have at least a bachelor's degree in accounting?	X	10
4. Are employees and elected officials required to annually commit in writing to abide by a statement of ethical behavior?	X	20
5. Have all governing body members completed entity specific (District Board Member Training for local/special service districts & interlocal entities, Introductory Training for Municipal Officials for cities & towns, etc.) online training (training.auditor.utah.gov) within four years of term appointment/election date?	X	20
6. Regardless of license or formal education, does at least one member of the management team receive at least 40 hours of formal training related to accounting, budgeting, or other financial areas each year?	X	20
7. Does the entity have or promote a fraud hotline?		20
8. Does the entity have a formal internal audit function?		20
9. Does the entity have a formal audit committee?	X	20

*Entity Name: Cache Water District

*Completed for Fiscal Year Ending: 2024 *Completion Date: ______

*CAO Name: Jarod Clawson *CFO Name: Jeannie Simmonds

*CAO Signature: [signature] *CFO Signature: [signature]

Basic Separation of Duties

See the following page for instructions and definitions.

	Yes	No	MC*	N/A
1. Does the entity have a board chair, clerk, and treasurer who are three separate people?	X			
2. Are all the people who are able to receive cash or check payments different from all of the people who are able to make general ledger entries?	X			
3. Are all the people who are able to collect cash or check payments different from all the people who are able to adjust customer accounts? If no customer accounts, check "N/A".				X
4. Are all the people who have access to blank checks different from those who are authorized signers?	X			
5. Does someone other than the clerk and treasurer reconcile all bank accounts OR are original bank statements reviewed by a person other than the clerk to detect unauthorized disbursements?	X			
6. Does someone other than the clerk review periodic reports of all general ledger accounts to identify unauthorized payments recorded in those accounts?	X			
7. Are original credit/purchase card statements received directly from the card company by someone other than the card holder? If no credit/purchase cards, check "N/A".		X		
8. Does someone other than the credit/purchase card holder ensure that all card purchases are supported with receipts or other supporting documentation? If no credit/purchase cards, check "N/A".	X			
9. Does someone who is not a subordinate of the credit/purchase card holder review all card purchases for appropriateness (including the chief administrative officer and board members if they have a card)? If no credit/purchase cards, check "N/A".	X			
10. Does the person who authorizes payment for goods or services, who is not the clerk, verify the receipt of goods or services?	X			
11. Does someone authorize payroll payments who is separate from the person who prepares payroll payments? If no W-2 employees, check "N/A".	X			
12. Does someone review all payroll payments who is separate from the person who prepares payroll payments? If no W-2 employees, check "N/A".	X			