

MINUTES OF THE **WORK SESSION** OF THE BOARD OF TRUSTEES OF THE CENTRAL UTAH WATER CONSERVANCY DISTRICT HELD ON WEDNESDAY, JUNE 18, 2025, AT 11:30 AM AT DISTRICT HEADQUARTERS, OREM, UTAH.

TRUSTEES PRESENT

Shelley Brennan
Wayne Andersen
Jon Bronson
Kirk Christensen
Steve Farrell
Wade E. Garner

Steve Hanberg
Max Haslem
Marvin Kenison
Kathy Wood Loveless
Greg McPhie

Eldon Neves
Jim Riding
Jennifer Scott
Randy Vincent
Brad Wells

TRUSTEES EXCUSED

L. Alma Mansell

STAFF PRESENT

Gene Shawcroft, General Manager
Lisa Anderson, Board Executive Assistant
Kirk Beecher, Lands Manager
Gary Brimley, Water Rights Engineer
Jim Brooks, Human Resources Manager
Derek Bruton, Planning Engineer
Ric Cantrell, Director of Strategic Engagement
Heath Clark, Asset Management Manager
John Coker, IT Manager
Chris Elison, Engineering Manager
Will Garner, Project Engineer
Sacha Gomez, Administrative Assistant
Jared Hansen, Director of Water Policy
Tyler Harvey, Facilities, Fleet, & Emergency Mgr.
Shaun Hilton, Project Engineer
David Imlay, Raw Water Operations Manager

Shawn Lambert, CFO
Cort Lambson, Engineering Manager
Bart Leeflang, Assistant General Manager
Alex Lowell, Project Engineer
Rick Maloy, Strategic Initiatives Manager
Devin McKrola, Engineering Manager
Robert Moore, Legal Counsel
Roger Pearson, CUPCA/Special Programs Mgr
Carolyn Quigley, Administrative Assistant
Bronson Stewart, Controller
Amanda Strack, Water Conservation Manager
Sarah Sutherland, Environmental Program Manager
Bruce Ward, Chief Engineer
Mike Whimpey, Assistant General Manager
Gerard Yates, Deputy General Manager

Chair Shelley Brennan called the Work Session to order at 11:35 a.m.

Bronson Stewart, Controller, reviewed the results of the annual fraud risk assessment required by the State Auditor. He stated that internal controls, segregation of duties, written policies, conflicts of interest and ethical behavior, and training. Bronson reported that out of 395 points, the District received 375 points, which is in the Very Low Risk tier.

Bronson then reviewed the budget adoption timeline which begins today with two hearings at the beginning of board meeting. The first hearing is to reopen the current year budget and make some proposed adjustments to that budget and the second hearing will be to take comment on the proposed 2025-2026 fiscal year budget. Bronson said if the Board decides today to go through the Truth in Taxation process, then the final decision on the budget and tax rate will be taken to the August 27, 2025 Board Meeting for approval.

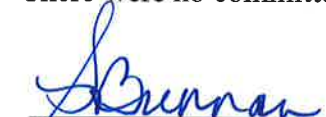
Bronson stated that there are \$44.7M in total budget adjustments for 2024-2025 which brings the current year's budget to \$426.3M. He explained that yearly, the District has a general fund transfer to the capital projects fund and this year it is \$31M and that there is an adjustment to the capital projects fund for water efficiency programs of \$1.5 million which relates to the timing of the Sanpete County project reimbursements and the title transfer with EJWCD and NIC. Bronson then stated that a \$12 million increase to the CUPCA activities is requested as the Spanish Fork Santaquin pipeline construction progress is outpacing the initial estimates.

Bronson next reviewed the proposed changes in the 2025-2026 Tentative Budget. He stated that it is proposed to increase the budget by \$237,000 to \$398.3 million due to some increased operation costs for supplies at the DACRWTP. Bronson reported that as of the beginning of the meeting today, the District had not received the final certified rate from the State but has a good estimate of what it will be. He said that the property tax revenue adjustments do not change the budget total which is offset in a decrease to existing fund use. Bronson stated that the current year property tax revenue in the tentative budget is \$119.3M and if the certified rate comes in at an estimated 0.000380, the current year property tax would be an estimate of around \$120.1M and if the authorized rate of 0.0004 is approved, the current year property tax amount would be an estimate of \$125.5M. He explained that the additional funds would help offset the significant increases in construction costs due to inflation, help to mitigate the unpredictable federal appropriations, and would help to ensure adequate funding for scheduled and future planned projects without needing to go to the bond market as quickly and/or for as much money. In response to a question from Trustee Vincent, Bronson stated that the State Tax Commission looks at 0.00038 rate to equal the same income and same dollar value the District received in the previous year. In response to a question from Trustee Scott, Bronson stated that the loss in revenue if the certified rate is approved versus the proposed rate of 0.0004 is compounded over time.

Bronson then stated that if the Board votes to go through the Truth in Taxation process there will be two required public hearings, one in Roosevelt on August 25th and one in Orem on August 26th. The District will also offer to all seven counties the opportunity for staff to come and speak to their respective commissions about the authorized rate. In response to a question from Chair Brennan, Rob Moore, Legal Counsel, stated that a quorum of trustees is required to be present at both tax hearings. In response to a question, having one hearing in Roosevelt would allow Duchesne and Uintah County residents equal access to attend a hearing.

Chair McPhie stated that the Finance, Audit, & Budget Committee will recommend going through the Truth in Taxation process.

There were no committee reports. The meeting adjourned at 12:00 p.m.



Shelley Brennan, Chair



Gene Shawcroft, General Manager