

MINUTES OF THE **WORK SESSION** OF THE BOARD OF TRUSTEES OF THE CENTRAL UTAH WATER CONSERVANCY DISTRICT HELD ON WEDNESDAY, JUNE 17, 2026, AT 11:30 AM AT DISTRICT HEADQUARTERS, OREM, UTAH.

TRUSTEES PRESENT

Shelley Brennan, Chair (electronic)	Steve Farrell	L. Alma Mansell
Greg McPhie, Acting Chair	Wade E. Garner	Jim Riding
Wayne Andersen	Steve Hanberg	Jennifer Scott
Kevin J. Anderson	Max Haslem	Randy Vincent
Jon Bronson	Marvin Kenison	
Kirk Christensen	Kathy Wood Loveless	

TRUSTEES EXCUSED

Brad Wells

STAFF PRESENT

Gene Shawcroft, General Manager	Shawn Lambert, CFO
Lisa Anderson, Board Executive Assistant	Cort Lambson, Senior Engineer
Robert Moore, General Counsel	Rick Maloy, Water Resource Planner
Gary Brimley, Water Resource Planner	Brad Perkins, Senior Engineer
Derek Bruton, Water Resource Planner	Mike Rau, Finished Water Operations Manager
Ric Cantrell, Director of Strategic Engagement	Bronson Stewart, Controller
Chris Elison, Water Resource Planning Manager	Amanda Strack, Water Conservation Manager
Will Garner, Assistant Chief Engineer	Sarah Sutherland, Environmental Program Manager
Matthew Gregg, Computer System Specialist	Bruce Ward, Chief Engineer
Jared Hansen, Director of Water Policy	Paulette Webster, Contracts Administrator
Shaun Hilton, Assistant Chief Engineer	Mike Whimpey, Assistant General Manager
David Imlay, Raw Water Operations Manager	Gerard Yates, Deputy General Manager

Acting Chair Greg McPhie called the meeting to order at 11:35 am.

Bronson Stewart, District Controller, presented the annual fraud risk assessment report, explaining that the assessment is completed each year as required by the State Auditor's Office and reviews areas such as segregation of duties, district policies, staff training, and licensing. He reported that the District received a score of 375 out of 395, placing it in the very low risk tier, which is the best possible category and consistent with the prior year. Bronson noted that the District continues to maintain strong internal controls, including effective segregation of duties within the finance team. Bronson then reviewed proposed adjustments to the 2025–2026 fiscal year budget. He explained that the current year budget is proposed to increase by \$12.8 million, primarily due to \$11.7 million in transfers from the general fund to capital projects and the debt service fund. He also noted a \$200,000 reclassification from water stock assessments to gauging station expenditure, which does not affect the total budget. Debt service is proposed to increase by \$700,000 due to amendments related to block notice obligations, including additional water acquisition and conversion of irrigation water, offset by conservation credits. The proposed adjustments also include a \$11

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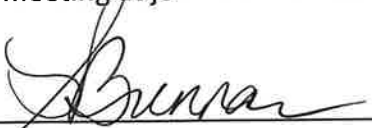
million transfer to capital projects, \$300,000 for unanticipated repairs at the Jordanelle Hydro plant, and a \$750,000 increase for CWP operations and maintenance associated with the polishing plant coming online and related testing costs.

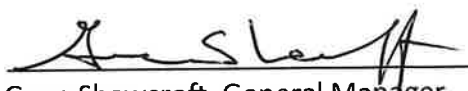
Bronson next presented the 2026–2027 interim budget and property tax rate options. He stated that the interim budget reflects a net decrease of \$850,000, resulting in a total budget of \$438 million, largely due to updated property tax revenue estimates and the deferral of \$350,000 in vehicle purchases to the next fiscal year. He outlined two property tax rate options: the certified rate of 0.000394, which would generate approximately \$131 million, and the authorized rate of 0.0004, which would generate approximately \$133 million. Staff recommend maintaining the authorized rate of 0.0004 to support long-term capital needs, address increases in construction costs, and reduce reliance on debt. If the Board proceeds with the authorized rate, Truth in Taxation hearings will be held in Roosevelt and Orem in August, with a final budget hearing scheduled before the August 26 Board meeting.

Gene Shawcroft, General Manager, provided historical context regarding the District's property tax policy. He reviewed the District's creation in 1964, when voters approved a property tax to support the Central Utah Project, and explained how repayment obligations increased over time. He also discussed the impact of the Central Utah Project Completion Act, including local cost-share requirements, project subscription standards, benefit-cost requirements, and the creation of the Utah Reclamation Mitigation Conservation Commission. Gene further described recommendations from a state task force to maximize statutory authority, including use of the 0.0004 property tax rate and bonding authority, and noted that the District's use of bond financing and prepayment of federal obligations has resulted in significant savings. He emphasized that maintaining a stable property tax rate supports predictable revenue and favorable bond ratings.

There were no committee reports.

The meeting adjourned at 12:09 pm.


Shelley Brennan, Chair


Gene Shawcroft, General Manager