Goshen Valley Local District

Special Meeting of the Board of Trustees
16100 South 12800 West, Elberta, UT 84626
October 20, 2022, 3:00 p.m.

Board Members present:
- Wes Quinton – FRI Conference Room
- Paul Munns – EVA Conference Room
- Brandon Andersen – EVA Conference Room

Staff:
- Angela Wood – District Clerk – EVA Conference Room
- Tracy McDaniel – Deputy District Clerk – EVA Office (Teams)

Public Attendance via Teams:
- Melanie McVicker – Teams
- Peter Gessel – Teams

The Board Meeting of the Goshen Valley Local District (GVLD) was held via Microsoft TEAMS and in person at the Elbert Valley Ag and Farmland Reserve, Inc. offices.

The meeting was called to order at 3:01 p.m. with Wes Quinton conducting the meeting.

1. **Welcome (Agenda Item #1 – 0:29)**
   Mr. Quinton took a roll call of attendees.

2. **Introduction of Dave Sanderson, District Accountant (Agenda Item #5 – 1:00)**
   As part of roll call, Mr. Sanderson introduced himself to the Board Members including his history of providing accounting support for approximately 15 small cities, special service districts, and interlocal agencies. He has worked in governmental accounting for 30 years starting in West Jordan City and ending at Lehi City as finance director. He semi-retired in 2017 to run his own business.

3. **Statement of Conflict of Interest by Board and Staff (Agenda Item #2 – 2:20)**
   Mr. Quinton asked that the Board Members state any conflicts of interest. Each Board Member did so.

4. **Public comment (Agenda Item #3 – 4:00)**
   Mr. Quinton asked if there was any public comment. No comment was received from general public attendees

5. **Board action to ratify service contract with DS Accounting Services LLC (Agenda Item #4 (4:29)**
   Mr. Quinton stated that the service contract includes a flat rate of $750 per month with additional start-up costs to bring District accounting and reporting up to date. The service contract is for one year and can be renewed. Mr. Quinton asked if Mr. Munns or Mr. Andersen had any questions, which there were none, and asked for a motion.

   Mr. Andersen moved to ratify the contract with DS Accounting Services.

Mr. Munns seconded the motion.
The vote was unanimous in the affirmative.

6. **Consideration for approval of the September 20, 2022 Board Meeting Minutes (Agenda Item #6 – 5:52)**
Mr. Quinton asked if Mr. Munns and Mr. Andersen had reviewed the minutes. They both answered in the affirmative. Mr. Quinton asked if there were any changes needed to the minutes. Mr. Gessel clarified and requested a correction to the misstated verbiage under item 7b. Ms. Wood made affirmed she would make the change before publishing the approved minutes. No other changes were requested. Mr. Quinton asked for a motion.

Mr. Munns moved to accept the minutes with the requested change.
Mr. Andersen seconded the motion.
The vote was unanimous in the affirmative.

7. **Board Financial Report on current expenses (Agenda Item #7 – 07:20)**
Mr. Sanderson reviewed the FY 2022 Budget Report focusing on expenses paid through September 30th. Ms. McVicker expressed concern that the groundwater study is not being tracked as a separate line on the budget. She expects additional invoices totaling approximately $30,000 before the end of 2022. She said that the SKM Engineering invoices apply to the groundwater study. Mr. Quinton clarified that the SKM invoices are a capital budget expense. Mr. Quinton asked for clarification on the following:
    a. With the legal counsel fees being over-budget, can the funds be transferred from other areas of the budget? After the discussion about the groundwater study invoices, in particular, can funds be transferred between capital expenditures and operation expenditures?
    b. Should there be separate budgets for capital expenditures and operation expenditures?
    c. Is a 2022 budget amendment needed?

Regarding a and c, Mr. Sanderson answered that by state law funds can be moved between line items in the budget and he doesn't see a need for a budget amendment at this time. He is more concerned about exceeding the overall budgeted amount rather than individual lines.

Regarding b, Mr. Sanderson said that there may be a need to separate the capital expenses from the operation expenses in the future, but not at this time. Mr. Gessel explained further that the need for separate budgets may be dictated by the grantor of District funds. Mr. Quinton said that the grant received by GVLD is a general grant and no spending parameters affect the funds.

Ms. Wood asked that the "State Grant" label on the budget change. Mr. Quinton asked that it be relabeled as "Grant".

Mr. Quinton summarized the expenditures to date, per the report, along with the expected additional invoices from SKM Engineering should be within the 2022 budget as amended in June.

8. **Review of and Board action on 2022 budget amendment, if needed (Agenda Item #8 – 16:40)**
Per previous discussion, no budget amendment is needed as this time.

9. **Review of and Board action on 2023 tentative budget (Agenda Item #9 – 16:62)**
Mr. Sanderson presented the tentative budget for 2023. Mr. Quinton asked for a review line-by-line. (Refer to audio recording for detailed discussion.)

Mr. Quinton asked again that the label for "Sponsoring entity grant" change to "Grant".

Mr. Quinton asked about invoices, particularly SKM 2022 invoices, that might be received in 2023 and if they would apply toward the 2023 budget. Mr. Sanderson clarified that the invoices would be accrued and apply to the 2022 budget.

Mr. Quinton asked for a motion accept the tentative budget and set a public hearing.
Mr. Andersen moved to accept the 2023 Tentative Budget as presented.
Mr. Munns seconded the motion.
Mr. Quinton asked for an addition of a potential change to the Assessments depending on the outcome of a Mount Nebo Water Agency meeting .
Mr. Andersen and Mr. Munns accepted **Mr. Quinton's** addition.
The vote was unanimous in the affirmative.

Mr. Quinton asked for a motion to set a Public Hearing for the 2023 budget.
Mr. Andersen moved to set the Public Hearing for the 2023 budget on Tuesday, November 15th.
Mr. Munns seconded the motion.
The vote was unanimous in the affirmative.

10. Review and consideration for approval of the GVLD fraud assessments for 2021 and 2022 (Agenda Item #10 – 25:05)

Mr. Sanderson presented the Fraud Risk Assessment form now required by the Utah State Auditor. To start, he prepared the form using the information from the 2020 assessment. He said that there is work to be done on formal policies and the assessment score would increase as more policies are prepared and implemented. Mr. Gessel said he has access to templates for the policies needed and he will assist the District to identify what policies are missing and get them in place. The 2021 report needs to be adjusted to account for the policies not yet adopted at the time and printed for Mr. Quinton's signature. (Ms. Wood will prepare and obtain signatures as needed).

No Board action is required for this item.

11. Report from Ms. McVicker on the Utah Water Summit (Agenda Item #12 – 31:15)

Ms. McVicker reported that the focus of the summit is the ongoing drought, including drought contingency plans, how some conservancy districts developed their plans, the different levels of drought, and how to cut back water usage.

a. Of the conservancy districts, Central Utah Water Conservancy District could have the most direct effect on GVLD planning, reported that their "contingency plan" has simply been to rely on Strawberry Reservoir and Jordanelle Reservoir storage which they recognized may not be sufficient to address ongoing drought in the future. They are currently in the process of creating a contingency plan and will report back next year.
b. The water conservation messaging worked to reduce use without mandatory cuts. The CUWCD allotment for the entirety of 2022 was 100%.
c. Regarding water shed management and water shed counsels, within a 5-year time limit there will be counsels for the different basins in the state. One has already been formed. GVLD should expect that one will be formed for the Utah Lake/Jordan River basin. Typically, water shed counsels include agricultural representatives, private landowners, conservation organizations, conservancy districts, and municipalities.
d. Report on the impacts on the shrinking surface of the Great Salt Lake on health, precipitation, snowpack, etc. The Great Salt Lake Advisory Council is currently being formed.
e. Weather service reporting for the Provo/Utah Lake/Jordan River basin shows that the precipitation deficit from 2020 to 2022 have the accumulated deficit of 13" . It will take multiple years of good snowpack and water years to recover. The chance of a good year is

possible in northern Utah, but below normal snowpack and warmer temperatures across the state are more likely.

f. A group at BYU has been working on defining what a "reliable water supply" means. They have identified different factors that contribute to a reliable water supply. They are studying different cities around the west and are looking at how the cities are managing water and identifying what is working. They study will go for a couple of years and they plan to share their findings.

g. Water forecast is most likely at average or below normal precipitation.

12. Conflict of Interest forms and Pledge forms (Agenda Item #11 – 40:40)

Ms. Wood reported that Conflict of Interest Forms have been received from all Board Members. The Pledge form is needed from Mr. Andersen and Mr. Quinton. Mr. Andersen signed the Pledge form during the meeting.

13. UASD Annual Conference (Agenda Item #13 – 41:27)

Ms. Wood reported that the UASD conference provides required training for the Board and others. It will be held this year November 2-4, 2022. The District did not include money for training in the 2022 budget, however, it has been added to the 2023 budget. She asked that everyone please tentatively plan for attending the conference next year. Mr. Quinton asked if we could send anyone this year with the remaining money in the budget, but Mr. Gessel reported the cost is $305 which will exceed the amount available. Mr. Quinton asked if Mr. Munns or Mr. Andersen would be interested in going for the Wednesday only training sessions. No one expressed interest in attending this year.

14. Other Business (Agenda Item #14 – 44:00)

a. Mr. Munns reported that he and Ms. Wood are completing setting up the online banking access at Zion's Bank. He and Mr. Andersen have access to the account and access should be granted to Mr. Sanderson, Ms. McDaniel, and Ms. Wood soon.

b. Mr. Quinton reported on a groundwater regulation presentation by Teresa Wilhelmsen, the State Engineer and Director of the Utah Division of Water Rights. One of the examples she used in the presentation is the Goshen Valley Basin. In the 1990s the Goshen Valley water management plan set a target not to exceed 20,000 acre feet per year. Current extraction is as high as 31,000 acre feet. She will start the public process soon to educate the Goshen Valley users of the problem. To bring the system into compliance she will look at the list of approved water rights for usage and priority, review the USGS groundwater level study (expected to be complete in the next few weeks), and hold public hearings. Mr. Andersen asked what area constitutes the Goshen Valley. Mr. Quinton replied that is includes from the town of Goshen to the Bateman farm. Mr. Munns asked if the same study was being conducted in the Mona/Nephi area. Ms. McVicker reported that they are, in fact, studying that area as well. Mr. James Greer, the former Deputy State Engineer who now works for the Church Natural Resource Department, said they are currently studying Juab Valley and the Mona Reservoir and the water management plan will be developed as soon as the studies are complete. Mr. Quinton said that since the Goshen Valley water management plan already exists, it will likely be updated first. Ms. McVicker reported that Mr. Greer estimates the process of amending the Goshen Valley groundwater management plan will begin at the end of this year and could take as much as several years to complete. He expects any curtailment likely will not go into effect for at least approximately 10 years. It will take time to implement an adjusted plan. Mr. Gessel reported that the Cedar Valley water management plans are asking for cutbacks by the year 2070 and the Beryl Enterprise plan has a 100-year implementation.

15. Next Meeting (Agenda Item #15 – 51:30)

The next meeting and public hearing will be held on November 15, 2022.

Mr. Quinton called for a motion to adjourn the meeting.

Mr. Munns moved to adjourn the meeting.
Mr. Andersen seconded the motion.
The motion passed unanimously in the affirmative.

The meeting was adjourned at 3:53 p.m.

I, Angela Wood, District Clerk, certify that the above minutes are accurate and were approved in the Goshen Valley Local District Regular Meeting of the Board of Trustees held November 15, 2022.

Angela Wood - District Clerk