

APPROVED
MAY 24, 2023

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MINUTES OF THE **WORK SESSION** OF THE BOARD OF TRUSTEES OF THE CENTRAL UTAH WATER CONSERVANCY DISTRICT HELD WEDNESDAY, MAY 24, 2023, 11:30 AM AT DISTRICT HEADQUARTERS, OREM, UTAH.

BOARD MEMBERS PRESENT

L. Alma Mansell, Chair
Shelley Brennan, Vice-Chair
Wayne Andersen
Jon Bronson (electronic)
Kirk Christensen (electronic)
Steve Farrell

Wade E. Garner
Steve Hanberg
Max Haslem
Marvin Kenison
Kathy Wood Loveless
Greg McPhie

Jim Riding
Jennifer Scott
Edwin Sunderland
Randy Vincent
Brad Wells

BOARD MEMBERS EXCUSED

Eldon Neves

STAFF MEMBERS PRESENT

Gene Shawcroft, General Manager
Lisa Anderson, Board Executive Assistant
Kirk Beecher, Lands Manager
Jim Brooks, HR Manager
Brent Chase, Computer Systems Specialist
Heath Clark, Asset Management Manager
John Coker, IT Manager
Mitch Dabling, Engineering Manager
Chris Elison, Engineering Manager
Jared Hansen, CUP Manager
Dave Hardy, Finished Water Manager
Shaun Hilton, Project Engineer
Shawn Lambert, CFO
Bart Leeflang, Colorado River Program Manager
Rick Maloy, Water Conservation Manager
Mandy McClellan, Records Manager
Devin McKrola, Bonneville O&M Manager

Rachel Musil, Water Rights Manager
Roger Pearson, CUPCA/Special Projects Manager
Brad Perkins, Engineering Manager
Dave Pitcher, Assistant General Manager
Mike Rau, Water Quality Manager
KC Shaw, Deputy General Manager
Zack Seipert, Marketing & Comms Specialist
Bronson Stewart, Controller
Sarah Sutherland, Environmental Program Manager
Mike Whimpey, Chief Engineer
Cindy Willard, Records Assistant
Gerard Yates, Deputy General Manager
Sam Zacharias, Senior Accountant

GUEST PRESENT

Robert Moore, District Legal Counsel (as of May 30th)

Al Mansell, Chair, called the Work Session Meeting to order at 11:40 a.m. He turned the time over to General Manager, Gene Shawcroft who introduced the District's new in-house Legal Counsel, Robert J. Moore, who joins the District from Utah County. Gene mentioned that the District still has a contract with Clyde Snow so we will continue working with them.

Mandy McClellan, Records Manager, presented the retention schedule policy updates. She explained that the retention schedules are policies that include each record type and defines the length of time the District must keep records. Mandy stated that the District follows the State Archives retention schedule with a few exceptions and that the schedules are reviewed every five years, or more often, as needed. She then reviewed the updates, as listed on page 58 of the Board packet, and stated that the Board would vote to adopt the updates during Board Meeting.

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Chris Elison, Engineering Manager, presented an update on the Central Water Project (CWP) Water Service Agreement Environmental Assessment. He explained that the CWP is District owned and the water that is imported from Strawberry reservoir for purposes of the M&I system and is proposed to be used as outlined in this Environmental Assessment, is federally owned, which necessitates the NEPA process. Chris stated that the District would like to utilize up to 6,000 AF of CUP import water that is in Utah Lake. He then explained the stipulations related to the water rights associated with the use of the previously purchased Geneva Steel water rights and Provo River water rights for CWP purposes. As this water is developed and used for CWP purposes, there is a required return flow amount that must reach the lake to keep Utah Lake water rights whole. Chris explained that water that is stored in Jordanelle Reservoir would have previously flowed to Utah Lake, however, the District diverts some of the water to deliver to North Utah County and Salt Lake County. To offset this impact to Utah Lake the District brings about 43,000 AF of water from Strawberry Reservoir to Utah Lake each year for a water exchange. He said that the District delivers a portion of that water down Sixth Water and Diamond Fork Creeks for minimum instream flows. Some of the exchange water is released to the Provo River and Hobble Creek for June sucker benefits, in addition, there is a return flow component that reaches Utah Lake from uses in South Utah County.

Chris stated that the NEPA documents have been in process for approximately six to eight months. He mentioned that about 83,000 AF of this exchange water has evaporated from the Lake and was not able to be used for a beneficial purpose. The District would like to use up to 6,000 AF of the import water for the beneficial use of offsetting CWP impacts to Utah Lake.

In response to a question, Chris stated that using 6,000 AF of water could lower the level of Utah Lake approximately 2-inches on years where there has been a number of consecutive dry years. The Lake functions as a reservoir and therefore has a wide range of water elevation fluctuations that are driven by the hydrologic inflow and the water right requirements for outflow. Based on the modeling that was done for the assessment, the lake levels should increase as the Utah Lake System comes online in the next few years.

Shawn Lambert, CFO, presented information on the District finances. He reviewed the District's different types of debt including Block Notices, General Obligation (GO) Bonds, and Revenue Bonds. Shawn then shared the tools the District uses to manage debt including the Trustee-approved budget, long-term modeling, and debt management ratings and reminded the Board that the District works proactively with financial advisors to manage the debt responsibly, which has saved the District over \$121M over the past 15 years.

Bronson Stewart, Controller, explained the difference between the preliminary budget vs. the tentative budget and then covered some of the larger budget items and significant changes to the budget with an approximate 13.6% increase over the 2022-2023 budget. He highlighted some of the differences in expenditures and revenue and shared the anticipated budget adoption timeline.

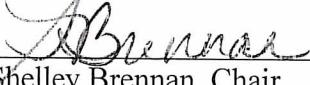
In answer to a question, Bronson stated that the 3% merit increase is budgeted for all staff but if an employee is not meeting performance expectations, they may not receive it at the time of the annual increase. In answer to another question, Bronson stated that it is anticipated that the

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District will not go through the Truth-in-Taxation process this year, however, that is subject to change depending on receiving the certified rate from the State. Greg McPhie, Finance Committee Chair, stated that the Finance committee will recommend approving the tentative budget and if there are questions, District staff is very responsive to answering them.

Al adjourned the meeting at 12:25 p.m.


Shelley Brennan, Chair


Gene Shawcroft, General Manager