

**WASHINGTON COUNTY WATER CONSERVANCY
DISTRICT**

Minutes of Meeting of Board of Trustees

May 31, 2016

Minutes of a public meeting of the board of trustees of the Washington County Water Conservancy District, held on Tuesday May 31, 2016 (changed from the schedule June 1, 2016 meeting), at 533 East Waterworks Drive, St. George, Utah. Those board members present for the meeting were: Chair Ed Bowler, Zachary Renstrom, Ken Neilson, Jon Pike, Tom Hirschi, Jim Ence and Howard Bracken. Also present were General Manager Ron Thompson, Associate General Managers Barbara Hjelle and Corey Cram and other staff including Melodie Bundy, Karry Rathje and Secretary Roberta McMullin. Ed Bowler conducted the meeting and welcomed those present. Other guests at the meeting included Steve Quinn from Hafen, Buckner, Everett and Graff to present the audit, Kyle Gubler and Jeremy Williams.

The first item on the agenda was a public hearing on District's intent to increase municipal contract wholesale rate. Ron told the board and audience the district had sent out notice to the cities with our intent to raise the municipal wholesale rate from \$0.84 per 1,000 gallons to the proposed rate of \$0.94 per 1,000 gallons (a \$0.10 increase per 1,000 gallons). This increase in gallons is only 1/100th of a penny per gallon. Ron said there has not been a rate increase for eight years. He said chemical costs have gone up by 32% along with other related costs increases in labor and utilities. There was some discussion about not waiting this long but increasing in small increments more frequently in the future.

Ed Bowler called for any questions or comments from the audience. There was none and so the following motion was made:

Jon Pike moved to approve the increase of the wholesale water rate from .84 to .94 per 1,000 gallons of water as of July 1, 2016. The motion was seconded by Ken Neilson and all voted aye.

Zach Renstrom said he did some calculating of numbers recently and his family used 11,000 gallons in a month which with this increase, if passed on to retail customers from the cities, would be about \$2.00 for his family.

A copy of the press release regarding this wholesale rate increased was distributed to board members and will be released to the press tomorrow.

The next item on the agenda was the presentation of the 2015 audit by auditors.

Ron introduced Steve Quinn of Hafen, Buckner, Everett & Graff to present the 2015 audit. Copies were passed to board members. Steve said he would give a quick summary and if any board members have questions or would like more detail than he gives, to let him know. Steve went through the audit and pointed out the independent auditor's report and the management discussion and analysis which he suggested all of the board read. This management discussion is put together by the water district management. He then reviewed various pages throughout the audit including the statement of net position, balance sheet, income statement and the various footnotes.

There was some discussion regarding the district having reserved funds for retirement liability.

Steve indicated that they didn't find any deficiencies or material weaknesses in the audit but one insignificant finding is that district board members are required to have training within their first year on the board. Mayor Pike & Mayor Neilson have not completed this yet and they will need to complete this before the end of June or he will have to note it. Both Mayors agreed that they would complete this using the online training. Roberta indicated she had send them the link to do it as online training.

Steve Quinn also indicated that his phone number is on the audit report and if anyone would like some additional detail or has questions, to please give him a call.

Ed called for any questions or comments regarding the audit from the board or the audience. Ken Neilson said he would like to see the 401 K information added and the plan for funding retirement. Ron said he will make sure that gets in either his management letter or in another part of the audit information.

There were no further questions or comments and the following motion was made:

Tom Hirschi moved to approve the 2015 audit as presented. Howard Bracken seconded the motion and all voted aye.

The next item on the agenda were status reports by Ron Thompson, General Manager:

Lake Powell Pipeline – Ron said the staff has been working with the State going through all the reports recently submitted and an addendum in which they fixed a lot of things will be filed on Thursday. Ron said hopefully that is everything but he archaeology and that won't be done until late fall. Ron reiterated that until we get the environmental permits we can't get a financial plan put together.

Sand Hollow Wells - One well has been test pumped and there are four more being worked on to get screens and sand in so they can be test pumped. Ron said they are also working on the well house design.

Water Treatment Plant - the plant is operating well. Ron told the board we are losing an employee from the water treatment plant as his wife has been transferred to Las Vegas for her employment. The tank they have been working on at the WTP has been grouted and got that work finished. We got bids in today for a liner for that tank. Colorado Lining was the low bidder at \$177,000. Ron said they intend to go ahead and award that unless there is some concern from the board. Ron told the board they hope have this tank on line by summer.

Staff - Ron told the board we are losing another employee, Mattie Jensen, who had a baby this last week. She will not be returning. We have hired a young woman to work in accounting and she will begin work on June 20. She has a Master Degree in accounting and her name is Carly Merrill.

Ash Creek Project – Ron said this project is being reorganized and he is putting a lot more of our staff onto this project not only to get this project moving faster but so they can learn the process better and use it on other projects. Ron said they want to be able to move right into construction after the environmental process is complete.

Upcoming - The next board meeting will be July 6 and that will be a work meeting starting at 3 p.m.

Approval of Minutes – The minutes of the May 4, 2016 board meeting were reviewed by the board.

***Tom Hirschi made a motion to approve the minutes as presented.
Zach Renstrom seconded the motion and all voted aye.***

Motion to Adjourn – There was no further business to come before the board and the meeting was adjourned.

