

**WASHINGTON COUNTY WATER CONSERVANCY
DISTRICT**

Minutes of Meeting of Board of Trustees

June 7, 2017

Minutes of a public meeting of the board of trustees of the Washington County Water Conservancy District, held on Wednesday, June 7, 2017, at 533 East Waterworks Drive, St. George, Utah beginning at 6 pm. Those board members present for the meeting were: Chair Ed Bowler, Zachary Renstrom, Ken Neilson, Kevin Tervort and Chris Hart, Jon Pike and Howard Bracken. Also present were General Manager Ron Thompson, Associate General Manager Corey Cram and Secretary Roberta McMullin. Other guests at the meeting are set forth on the attached sign-in sheet. Ed Bowler conducted the meeting and welcomed those present.

The first item on the agenda was *approval of the 2017 audit*. Ron introduced Steve Quinn from Hafen, Buckner, Everett & Graff and asked him to give a brief report or summary of the audit. Because of the long agenda for this meeting, if more time is needed it will be discussed in more detail at the next meeting. Steve Quinn reviewed with the board and those present the various parts of the audit and pointed out certain pages including:

Page 1 and 2 – Independent auditor’s report including their opinion (paragraph 1, page 2); Page 3 - Management discussion and analysis – prepared by WCWCD management. He also reviewed financial statements for the various funds, the footnotes on Page 24 and the supplementary information. He pointed out the independent auditor’s letter on Page 54 which says they found no problems or significant or materials weaknesses. Steve said the audit shows that the district is being run very well.

Steve told the board if they have any questions to give him a call.

The second item on the agenda was the *approval of district contribution of \$40,000 to the State of Utah towards the Navajo/Utah water settlement* – Ron

told the board a copy of the Memorandum of Understanding regarding this is in their board notebooks under handouts. Ron explained we have been asked by the state along with other five other water districts to contribute funds to help finish off the Indian water rights settlement. The legislature agreed to match these funds. Ron recommended to the board that the district make this contribution.

Ken Neilson made a motion to approve a district contribution of \$40,000 to the state for the Indian water rights settlement. Jon Pike seconded the motion and all voted aye.

Discussion of 2007 bond refunding– Ron told the board that this refunding has the potential for significant present value savings. Ron said it becomes a policy question -- when interest rates are low should we preserve some of our cash and bond against some of the upcoming projects. Ron said he had discussed this extensively with one of the district’s consultants and it is his recommendation we use cash for half of the projects and bond for the other half. Ron said the district would borrow an additional \$25 million for those projects and fund the rest out of cash, unless the board thinks it should be funded all out of cash on hand. Ed Bowler said he believes when interest rates are low that it is a good idea to free up cash and bond with good interest rates. Kevin Tervort said he also thinks it is good idea. Zach Renstrom said he likes the 50-50 split between cash and bonding. Ron said they would probably have this ready to come to the board in the July or August meeting so we don’t need a motion now. He just wanted to get the board’s feeling and input on this.

The next item on the agenda was the cancellation of the July 5 board meeting and adding additional board meetings to the schedule. Ron explained that they are working on a schedule to get the Impact Fee Facilities Plan (IFFP) out which is going to require some additional meetings. Ron said they propose to cancel the July 5 meeting and move it to July 25 and then add the following additional meetings to the meeting schedule:

August 16 – work meeting at 3 pm

September 13 - public hearing at 6 pm

September 20 - regular meeting to approve IFFP after public hearing

After discussion the following motion was made:

Jon Pike made a motion to approve the changes to the meeting schedule as discussed. Kevin Tervort seconded the motion and all voted aye.

Discussion of impact fee policy for condominiums – Ron told the board the staff had made some administrative changes in policy with impact fees as related to condominiums or multi-family dwelling complexes and he would like the Board to ratify the changes. Ron said this change was made because the small planned unit development projects are almost identical to apartment complexes and should be treated the same way as apartments. Ron distributed a copy of the policy and a copy of that policy is attached to these minutes. There was some discussion after which the following motion was made:

Kevin Tervort made motion to ratify the policy as explained by Ron and set forth in the written policy handout related to multi-family dwelling complex impact fees. Howard Bracken seconded the motion and all voted aye.

Approval of property purchase from SITLA near Sand Hollow Reservoir - Ron told the board that there is 96.502 acres between the reservoir and Sand Hollow Resort that the district can buy from SITLA at \$17,500 per acre. This is the area where there have been some water problems with a couple homes. At first, SITLA wanted to trade for other property but after the appraisals the district offered to buy the property. Ron said the plan is to take care of the water problem and then sell the property when we are done. Ron said he would like authorization to move forward with this purchase. The total purchase price will be \$1.688 million dollars and then title insurance and closing costs on top of that. The district owned this piece of property at one time but when the road was put in to Sand Hollow Reservoir there was a land exchange.

Jon Pike moved to approve the purchase of 96.502 acres from SITLA by the district for \$1.688 million dollars plus closing costs and title insurance. Ken Neilson seconded the motion and all voted aye

The next item on the agenda was a status report and general manager's report by General Manager Ron Thompson. Ron said the district continues working on the well development at Sand Hollow. There has not been too much change since the last meeting. They are moving forward with the work on the four new wells.

Ron said the reservoirs are full and most of the spring runoff is gone. They are still putting a small amount of water into Quail Creek. Kolob Reservoir is full. Sand Hollow Reservoir is full and Gunlock Reservoir is nearly full.

Ron said the staff is working hard on lots of projects. The remodel on the Hurricane hydroplant is finished. They have redone all control systems in both hydroplants.

The last item on the agenda was the approval of the minutes of the board meeting of May 2017. After review by the board a motion was made.

Ken Neilson moved to approve the May 3, 2017 Board of Trustees meeting minutes as presented. Chris Hart seconded the motion and all voted aye.

Ed Bowler thanked the audience members for attending the board meeting and asked if there was any questions or comments. There being none a motion was made to the adjourn the meeting and the meeting was adjourned.
