

**WASHINGTON COUNTY WATER CONSERVANCY
DISTRICT**

Minutes of Meeting of Board of Trustees

June 18, 2019

Minutes of a public meeting of the board of trustees of the Washington County Water Conservancy District, held at noon on Wednesday, June 18, 2019, at 533 East Waterworks Drive, St. George, Utah beginning at 6 pm. Those board members present for the meeting were: Chair Ed Bowler, Kevin Tervort, Ken Neilson, Howard Bracken and Chris Hart. Jon Pike and Victor Iverson were not present. Also present were General Manager Ron Thompson, Deputy General Manager Zach Renstrom and Associate General Manager, Brie Thompson. Other staff included Carly Merrill, Heather Dekorver 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.

2018 Audit Presentation -- Ed Bowler explained that this meeting was called for the purpose of having the auditors present the 2018 audit and considering approval of the 2018 audit. Steve Quinn from Hafen and Buckner was introduced by Ron.

Steve Quinn passed out copies of the audit to the board and staff. Steve told the board that he would review the audit fairly quickly, but if anybody has questions as he reviews the audit or wants him to spend more time on something, to let him know.

Steve went through the different parts of the audit by page number and briefly pointed out and reviewed various parts of the audit such as the Independent Auditor's Report, Auditor's Opinion, Management Discussion (prepared by WCWCD management), governmental funds, proprietary fund, statement of cash flows, footnotes to financial statement, auditor's report on internal control and findings on compliance. A copy of the financial report is attached to these minutes and incorporated here.

Ron explained to the board that on the Virgin River Program fund, the legislature allocated money toward repairing the barrier in the Virgin River Gorge and those funds didn't come in until later and so it wasn't budgeted as cash coming in. So, there really wasn't an extra \$400,000 spent that wasn't in the account, the actual

budget just wasn't changed. Steve said this was considered an insignificant finding.

Steve answered a few additional questions from board members, after which the following motion was made:

Ken Neilson made a motion to the approve the 2018 audit report as presented. Howard Bracken seconded the motion. All voted aye.

The next item on the agenda was the **consideration of approval of the purchase of land in the Warner Valley area** – Zach Renstrom that SITLA is willing to sell some of the land underneath the future Warner Valley Reservoir. He showed the board on a map where the property was located. SITLA had it appraised by Johnson Appraisals and their board accepted the appraisal of \$3.2 million dollars for the land. As growth continues, the value of this land will increase. He explained that SITLA also wants some administrative fees, approximately \$10,000, in addition to the \$3.2 million sale price. There are not a lot of comparable comps. Zach told the board that a portion of our Sand Hollow Regional Pipeline also goes across it so it would be good to own. Ed Bowler said that comes out to about \$4,000 an acre which sounds like a fair price, in his opinion, and it would be good for the district to own this land.

Chris Hart moved to approve purchase of the land from SITLA in the Warner Valley area for approximately \$3.2 million and \$10,000 in administrative fees. Kevin Tervort seconded the motion, and all voted aye.

Consideration of a resolution updating personnel policy regarding administration and employment selection was next on the agenda.

Ron said this first resolution deals with updating a policy that we have had for a long time. It defines permanent and temporary employees, exempt and non-exempt employees who receive benefits, drug testing policy etc. It will also put us in compliance with the Affordable Care Act. Zach added that it makes it very clear that all new employees will be drug tested, criminal background checks will also be required and additional drug testing as the employees moves forward.

1. Ken Neilson moved to approve the resolution updating personnel policy regarding administration and employment selection. Chris Hart seconded the motion. A roll call vote was taken as follows:

2.

- 3. *Ed Bowler* Yes
- 4. *Chris Hart* Yes
- 5. *Kevin Tervort* Yes
- 6. *Howard Bracken* Yes
- 7. *Ken Neilson* Yes

The next item for consideration of the board was *a resolution updating personnel policy regarding district property.* Ron said this spells out incidental use of district property and when it is appropriate and when it is not and what approval an employee would have to have. He told the board it is crucial to get this defined, so we don't have a problem. IT specifies what incident use is and when supervisory approval is required. It is much more specific and spells it out in much more than detail than in the past and cleans up the policy on how employees should use district vehicles and the responsibilities to keep it in clean condition, etc. Ron said it helps employees know what they can and can't do with district property and protects the employees.

Kevin Tervort moved to approve the resolution updating personnel policy regarding district property. Howard Bracken seconded the motion and a roll call vote was taken as follows:

- 8. *Ed Bowler* Yes
- 9. *Chris Hart* Yes
- 10. *Kevin Tervort* Yes
- 11. *Howard Bracken* Yes
- 12. *Ken Neilson* Yes

Consideration and approval of the following items for the SH Groundwater

Treatment Plant: Ron said they had let the bids for the Sand Hollow groundwater treatment plant facility. On the construction contract, the low bidder was Van Con, Inc. at \$9,375,000, the next low bidder was Interstate Rock Products for \$9,718,350. The high bid was Whittaker Construction, Inc. at \$10,831,500. Ron told the board the staff recommendation was to award to the low bidder, Van Con at \$9,375,000.

The Carollo construction management contract is not to exceed \$797,728 and may be less. This includes office engineering during construction and onsite services during construction.

The automation and controls contract for SCADA controls is for a total not to exceed \$112,140 at an hourly rate of \$140 per hour to do all the programming for operating this groundwater treatment plant. Ron told the board we have had experience with this person before and he has extensive experience.

Lastly, the Dixie Power line extension agreement is for \$132,190.72. This is to upgrade and extend power.

Ed called for questions from the board after which the following motion was made:

Chris Hart moved to approve all four contracts as explained by the general manager for Van Con n the amount of \$9,375,000; Carollo Engineering not to exceed \$797,7238, the automation and controls for SCADA in an amount not to exceed \$112,140 (\$140 per hour) and the Dixie Power contract for line extension for \$132,190.72, all related to the Sand Hollow Groundwater treatment plant. Ken Neilson seconded the motion, and all voted aye.

Manager's report – Ron said the snow pack is mostly off. There is a fair amount of high water. There is going to be a lot of fuel for fires. The district staff is going to do some disking on the Central property where there is a dry field of rye. Ron said it has been a great water year with the early moisture, lot of snow in February and March and then a very mild spring.

Ed Bowler said the reservoir in Grass Valley is pretty right now and has about 22 cfs going down through the tunnel.

Lisa Rutherford, from the audience asked if the district resolved the Skymiles credit card issue. Zach Renstrom explained that it was resolved, and the district is now using purchase cards for the employees who have to purchase things and we will get a small rebate on purchases.

There was no further business to come before the board, and the meeting was adjourned.
