



BOARD OF TRUSTEES MEETING MINUTES
October 14, 2020

Minutes of a public meeting of the board of trustees of the Washington County Water Conservancy District, held on Wednesday, October 14, 2020, at 533 East Waterworks Drive, St. George, Utah beginning with a work meeting at 4 pm and the regular meeting at 6 pm. Those board members present for the meeting were: Chair Ed Bowler, Kevin Tervort, Howard Bracken, Chris Hart, and Jon Pike, and Victor Iverson. Ken Neilson was excused. Also present were General Manager Zach Renstrom and Associate General Managers Corey Cram and Brie Thompson. Jodi Richins, WCWCD legal counsel, Karen Barnum, senior accountant, and Roberta McMullin, secretary, were also present. The other guests at this meeting are shown on the attached Attendee List.

The *first item on the agenda for the 4:00 pm work meeting was status reports on the following projects:*

Lake Powell Pipeline – Zach told the board that technical studies are underway to update our local available water supplies. This work is done in coordination with each of our municipal customers to ensure everything is current and accurate.

The state and district are committed to ongoing dialogue with the other Colorado River basin states. The lower basin states want models for the Colorado River run all the way to Lake Mead and they want Utah to develop a drought contingency river management plan. This plan will address how Utah will address a reduced allocation if there is a call on the river. Discussions are going well, but it's believed that some states are negotiating in good faith more than others.

Sand Hollow Water Treatment Plant – Corey reported that this project is moving forward on schedule. They have installed most of the big piping inside the building. The bulk of the concrete work is done. The next big

project is the electrical work, including putting in conduit, wiring a lot of meters, valves, smart programming, etc. Daily inspections are being done. Estimated completion is late February 2021.

Ashcreek Reservoir – Corey said they are still working with the BLM to secure the needed permits, which require 13 signatures at the state level. Right now, it is at the solicitor's office. Next stop is state BLM offices and then it goes to headquarters for a final approval. The team is also working on the nationwide permit. He said later in this meeting he is going to be asking for approval for a list of professional service contracts – archaeological, engineering work, etc.

Zach asked Chair Ed Bowler to move item # 2, the discussion of surcharges on excess water use to the end of the work meeting agenda.

Manager's Report – The lack of moisture and dryness puts stress on our water systems. The district has received multiple phone calls from little water companies that are having problems. Zach said he wanted board feedback on how to handle requests from small water companies that need funds or want the district to take over their systems. They make the argument that they have been paying property taxes, but the money they need is usually much more than we collect from them in property taxes.

The district recently met with Slade Hughes of the Veyo Water Company. They have a 200,000-gallon water tank that they built about 10 years ago that leaks and needs to be fixed. The company wants to upgrade to a 500,000-gallon tank to meet the state standard, at a cost of approximately \$1 million. They requested district funds. There was discussion among the board. Ed suggested they go to the State Board of Water Resources first to see if funding is available or if they qualify for a no interest loan. The board expressed concern that the smaller water companies do not charge enough for water to build a reserve for needed repairs and improvements.

Ed said he understands they do have a burden because it is hard to operate, but we need them to tell us exactly what they need, how much they are charging in fees, standby fees, etc. but first they should go to the state before they come to us.

Victor said he feels like when we interact with these small water companies, we should be thinking out a few decades. If we do participate or help them with the tank, we should be involved in building the tank and go into some partnership with

them so that we have some quality control. Kevin suggested instead of just handing them money, we help them get the technical help they need so they know what to do when these kinds of issues arise.

Chris said he doesn't favor getting involved with this kind of situation without a rate study. Water providers should develop sufficient revenue for their respective system's needed maintenance – the district should not be perceived as the revenue source for this effort.

Zach told the board he will keep them informed on this.

Review of proposed preliminary 2021 budget – The district is transitioning to Caselle, an accounting software more compatible with government funding than QuickBooks. The 2021 budget will list expenses in numbered accounts, typical of governmental accounting processes. In addition, there will be some reorganization of expenses. For example, the salaries of conservation team members were previously billed to the “general fund” and now they will be billed to the “conservation fund” so we have a more accurate understanding of expenditures.

Given the formatting changes, Chris requested to see a single or combined number for wages so they can compare it with last year.

Zach also pointed out that there will be a lot more detail. The \$1.4 million annual contribution to the Virgin River Recovery Program is noted as a budget item instead of an in-kind contribution. This budget will be more transparent and give the board more information.

The budget will also list membership dues and other fees associated with industry organization involvement.

Karen added that one of the complications is that some of the funds were combined and some were more segregated. Capital projects were all one fund and now it is broken in two – those that qualify for impact fees and those that don't.

Effective in 2021, department heads will manage their respective budgets.

Zach encouraged the board take the preliminary budget home for review and offered to address any questions prior to the December board meeting in which the budget would need to be approved.

Jodi reviewed the policies and procedures that the district is proposing to be updated. The resolutions will be approved at the 6:00 pm meeting.

Drug & alcohol-free workplace for Personnel Policy and Procedures – Added a sentence: “Alcoholic beverages served in conjunction with an authorized convention or event are an exception to this prohibition.”

Employee conduct policies for Personnel Policy & Procedures – We are updating our policy on this for the fraud risk assessment by the state. The first portion of the resolution moves conflict interest disclosure to the same section as all the other ethics policies. There are some deletions in the violating district policies section under the guidelines for appropriate conduct. Some language was taken out here because it was in other sections of the policy.

There is some language added regarding ethical behavior. A section regarding prohibited activities has been added. It repeats the statute, but we need to have a policy on it. Some prohibited activities will be looked at in the administrative policy governing the board.

Miscellaneous policies for Personnel Policy & Procedures - The first section is about nepotism and it has been edited to reference the statute and follow Utah law. The next section was deleted because it has always been referenced in another policy. The third section regarding activities prohibited under federal law was taken out because it is only applicable to federal employees.

Conflicts of Interest and Ethical Policies for Administrative Policy & Procedures This policy is for the board members. Prohibited activities are already included in the policy but Jodi said she has gone through the statute and added additional language to reflect the statute. The 2nd page adds clarifications as to what are not included as gifts.

Travel for Personnel Policy & Procedures – The board already looked at this a year ago, but Jodi has added some additional updates to meet the fraud risk assessment requirements. The deletions are lined out and the additions are underlined. Some of the changes include clarification on mileage reimbursement in or out of service area. No. 7 on page 2 was added to clarify disciplinary action that can be taken for inappropriate or fraudulent travel expenses. There was some language added regarding rental cars being obtained through state cooperative contracts

Travel for Administrative Policy & Procedures – The revisions are marked on this policy; the changes reflect the personnel policies that the board has already approved and includes the state’s fraud risk assessment requirements. Ed pointed out a correction in Section 2.26 under Compensation that the board is paid their quarterly, not monthly.

Excess water user surcharges In follow up to the September board meeting, Aaron Anderson, Bowen Collins Engineering, presented updated analysis on water use. Aaron reminded the board they looked at water meter average usage and then broke it apart as to what the top 20% are using, top 30%, etc. and the question is should we charge those higher users a surcharge.

Supporting arguments: First, they paid impact fees for a certain amount of capacity and some of the high users are exceeding that capacity. Second, to further encourage water conservation.

Aaron shared a PowerPoint presentation and highlighted slides from the last presentation and answered questions from the board. He reviewed the top residential and commercial water users and broke down monthly usage into percentile users from 95% to 50%.

There was some discussion about estimated revenue from surcharge and specific impacts on the highest end water users. Specific examples were shared.

At \$1.00 per 1,000 gallons the for a surcharge, 90th percentile revenues would be \$750,000, the 80th percentile revenues would be \$1,250,000 and 70th percentile revenues would be \$1,600,000.

There was discussion of where the surcharge threshold should be, and different scenarios were reviewed.

Aaron showed the board the top 10 commercials users. About 25% of them would see a surcharge at the threshold being discussed.

The board requested additional time to consider the proposal and requested more scenarios, such as impacts to the hospital, university and churches based on their respective current water use. They also want to consider impacts at different meter sizes.

There was discussion of putting something in with city bills explaining the surcharge if they decide to put it into practice.

6:00 PM Meeting

The first item was **consideration of approval of the proposed preliminary budget for 2021, a copy of which is attached to these minutes.** Zach said the budget was reviewed and questions were answered in the work session. Each board member has a copy to review further and there will be discussion on the proposed budget at the November board meeting.

A motion was made by Kevin Tervort to approve the preliminary 2021 budget. The motion was seconded by Howard Bracken and all voted aye.

The next item was **consideration for approval of the six updated policy and procedure and administration resolutions** presented and reviewed and discussed in the work meeting. The resolutions were considered and voted upon as follows:

Jon Pike moved to approve the RESOLUTION UPDATING PERSONNEL POLICY & PROCEDURES REGARDING DRUG AND ALCOHOL-FREE WORKPLACE. The motion was seconded by Chris Hart after which a roll call vote was taken as follows:

<i>Ed Bowler</i>	<i>Yes</i>
<i>Kevin Tervort</i>	<i>Yes</i>
<i>Howard Bracken</i>	<i>Yes</i>
<i>Jon Pike</i>	<i>Yes</i>
<i>Victor Iverson</i>	<i>Yes</i>
<i>Chris Hart</i>	<i>Yes</i>
<i>Ken Neilson</i>	<i>Absent</i>

Chris Hart moved to approve the RESOLUTION UPDATING PERSONNEL POLICY & PROCEDURES REGARDING EMPLOYEE CONDUCT POLICIES. The motion was seconded by Victor Iverson after which a roll call vote was taken as follows:

<i>Ed Bowler</i>	<i>Yes</i>
<i>Kevin Tervort</i>	<i>Yes</i>
<i>Howard Bracken</i>	<i>Yes</i>
<i>Jon Pike</i>	<i>Yes</i>
<i>Victor Iverson</i>	<i>Yes</i>
<i>Chris Hart</i>	<i>Yes</i>
<i>Ken Neilson</i>	<i>Absent</i>

Chris Hart moved to approve the RESOLUTION UPDATING PERSONNEL POLICY & PROCEDURES REGARDING MISCELLANEOUS POLICIES. The motion was seconded by Jon Pike after which a roll call vote was taken as follows:

<i>Ed Bowler</i>	<i>Yes</i>
<i>Kevin Tervort</i>	<i>Yes</i>
<i>Howard Bracken</i>	<i>Yes</i>
<i>Jon Pike</i>	<i>Yes</i>
<i>Victor Iverson</i>	<i>Yes</i>
<i>Chris Hart</i>	<i>Yes</i>
<i>Ken Neilson</i>	<i>Absent</i>

Jon Pike moved to approve the RESOLUTION UPDATING ADMINISTRATIVE POLICY & PROCEDURES REGARDING CONFLICTS OF INTEREST AND ETHICAL BEHAVIOR. The motion was seconded by Victor Iverson after which a roll call vote was taken as follows:

<i>Ed Bowler</i>	<i>Yes</i>
<i>Kevin Tervort</i>	<i>Yes</i>
<i>Howard Bracken</i>	<i>Yes</i>
<i>Jon Pike</i>	<i>Yes</i>
<i>Victor Iverson</i>	<i>Yes</i>
<i>Chris Hart</i>	<i>Yes</i>
<i>Ken Neilson</i>	<i>Absent</i>

Howard Bracken moved to approve the RESOLUTION UPDATING PERSONNEL POLICY & PROCEDURES REGARDING TRAVEL. The motion was seconded by Kevin Tervort after which a roll call vote was taken as follows:

<i>Ed Bowler</i>	<i>Yes</i>
<i>Kevin Tervort</i>	<i>Yes</i>
<i>Howard Bracken</i>	<i>Yes</i>
<i>Jon Pike</i>	<i>Yes</i>
<i>Victor Iverson</i>	<i>Yes</i>
<i>Chris Hart</i>	<i>Yes</i>
<i>Ken Neilson</i>	<i>Absent</i>

Kevin Tervort moved to approve the RESOLUTION UPDATING ADMINISTRATIVE POLICY & PROCEDURES REGARDING TRAVEL. The motion was seconded by Victor Iverson after which a roll call vote was taken as follows:

<i>Ed Bowler</i>	<i>Yes</i>
<i>Kevin Tervort</i>	<i>Yes</i>

<i>Howard Bracken</i>	<i>Yes</i>
<i>Jon Pike</i>	<i>Yes</i>
<i>Victor Iverson</i>	<i>Yes</i>
<i>Chris Hart</i>	<i>Yes</i>
<i>Ken Neilson</i>	<i>Absent</i>

The next item on the agenda was *Consideration of approval of Engineering and Environmental Proposals for Ashcreek Project.* Corey gave each board member a memo listing the engineering and environmental services and a brief description of each and a map of the project, copies of which are attached to these minutes. Corey briefly summarized each of the engineering contracts related to the project with Bowen & Collins Engineering, Alpha Engineering, Sunrise Engineering and RB&G Engineering and the two environmental service contracts with EnviroSystems Management, Inc. and Transcon Environmental. Corey told the board they tried to negotiate the best prices. They will have these firms start with a notice to proceed after we have permits. After discussion, Ed said he would entertain a motion for all the engineering and environmental service contracts discussed.

Jon Pike made a motion to approve the engineering and environmental proposals for Ashcreek Reservoir as presented with Bowen Collins Engineering, Alpha Engineering, Sunrise Engineering and RB&G Engineering, EnviroSystems Management, Inc. and Transcon Environmental with the amounts as set forth in the memo presented to the board. Chris Hart seconded the motion. All voted aye.

Consideration of approval of the Garkane Service Agreement on the Lake Powell Project. This is a renewal of an existing contract that expired. Garkane will deliver electricity for the pump station and hydro power plants – we pay their costs.

Kevin Tervort made a motion to approve the contract with Garkane and the motion was seconded by Howard Bracken. All voted aye.

The last item on the agenda was the *approval of the September 2, 2020 and September 24, 2020 Board of Trustees’ Meeting Minutes.*

Chris Hart made a motion to approve the September 2, 2020 and September 24, 2020 Board of Trustees’ Meeting Minutes. The motion was seconded by Victor Iverson and all voted aye.

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

Secretary