



BOARD OF TRUSTEES PUBLIC MEETING

Meeting date: September 7, 2022
Time: 6 p.m.
Location: 533 E. Waterworks Dr., St. George, UT 84770
Participants: Board members including Ed Bowler, Kress Staheli, Victor Iverson, Kevin Tervort & Adam Bowler. Board members Chris Hart & Michele Randall were not present. District staff including Zach Renstrom, general manager; Mindy Mees, secretary; Jodi Richins, general counsel; Brie Thompson, associate general manager; Corey Cram, associate general manager; Morgan Drake, staff attorney. Other meeting attendees are noted on the attached sign-in sheet.

Presentation of 2021 audit by auditors

McKay Hall with HintonBurdick CPAs & Advisors presented the audit report. The audit was conducted in accordance with auditing standards generally accepted in the United States of America. The only discrepancy was the Reconciliation of Balance Sheet account balances. The cause of this discrepancy was the district changed accounting systems near year-end and the conversion caused misstated beginning balances and misclassified some of the current year activity. The district has three funds: General Fund, Capital Projects Fund, and the Virgin River Program. The General Fund is the operating fund of the district. Revenues from tax collections are received into this fund. Expenditures include administration costs. Fund transfers are made from the General Fund to the other funds in the district. The General fund shows a healthy balance sheet which is reported on a modified accrual basis. The Capital Project Fund administers payments for the construction and improvement of capital facilities. Revenue from impact fees are received in the Capital Projects Fund. Funds are also transferred into this fund from the General Fund. The Virgin River program receives federal and state funds used for the maintenance and operation of the Virgin River Resource Management and Recovery Program (VRRMRP). The funding for the projects accounted for in this fund is partially federal and partially state funding. The district's portion of the

maintenance and operation of the VRRMRP is accounted for in the proprietary fund.

Consideration of approval of the 2021 audit

Victor Iverson made a motion to approve the 2021 audit, the motion was seconded by Adam Bowler, and all voted aye.

Discussion on Zion Regional Hospital & Medical Campus Project

Matt Loo, Darcy Stewart & Glen Adams CEO of Coaction Group came to discuss the planned construction of a hospital and medical facility by exit 2 in St. George. The district does not confirm that there is water for commercial properties until they have construction plans and are going through the building permit approval process. The district has not provided will-serve letters for commercial properties. In order to obtain financing, Coaction Group needs written confirmation there will be water available for their project. The first phase for the medical facility will be over \$300 million dollars, and Coaction Group would like assurance about the water situation before they invest this amount of money. The water usage for the hospital will be 40 to 50-acre-feet of water a year. Zach said it is a lot of water, but our system can handle it. The buildout will be around 5 years; the first phase will start end of Spring 2023 with an opening in the fall or winter of 2024. The board is concerned about what precedent might be set for future commercial development. Any agreement the district enters into would need a sunset clause. The board suggests that Zach work with Glen Adams to see if they can come to an agreement that satisfies the needs of the district and Coaction.

Consider approving P-Card for employee Anthony Jones

New district employee Anthony Jones working at the water treatment plant and in the field, will need a P-card to make purchases.

Victor Iverson moved to approve P-Card for new employee Anthony Jones. The motion was seconded by Kevin Tervort, and all voted aye.

Resolution updating Administrative Policy & Procedures regarding procurement

Morgan Drake presented the proposed updates to the Procurement Policy (Administrative Policy & Procedures). The changes help implement Utah State Code.

Kevin Tervort moved to approve the resolution updating Administrative Policy & Procedure regarding procurement and the motion was seconded by Adam Bowler. A roll call vote was taken as follows:

<i>Adam Bowler</i>	<i>Yes</i>
<i>Kress Staheli</i>	<i>Yes</i>
<i>Victor Iverson</i>	<i>Yes</i>
<i>Ed Bowler</i>	<i>Yes</i>
<i>Kevin Tervort</i>	<i>Yes</i>

Project Status Report

Ash Creek Pipeline: The pipeline will bring water from tributaries of Pine Valley and Ash Creek Reservoir down to Toquer Reservoir. The upper section of the pipeline is from the Ash Creek reservoir down to the town of Pintura. The first phase of this project is up to Ash Creek Canyon. This part of the project is going well, it is under budget and on time.

At South Ash Creek the district is building a concrete diversion structure. The District is working with Pintura to build pressurized irrigation. Conservation savings from the pressurized system will go into the Toquer Reservoir.

In the next phase of the project there will be a 5-mile pipeline from Pintura to Toquer Reservoir, and it will be a 9-month construction contract.

Toquer Reservoir: The recreation area for the reservoir is being designed, including the campground area, and day use area, and boat ramp. Motorized boats will not be allowed on the reservoir. The district is working with Tocqueville City to manage the recreation area. Toquerville City will bring in the utility's infrastructure to the recreation area. The dam review committee is Everett Taylor with dam safety, Tyler Knudsen with Utah Geological Survey, and Jennifer Williams and Brian Becker who are both dam safety design engineers.

Cottam Well System: There are two existing wells; the district is constructing a backup well that will help if the other two go down. The wells are 600 feet deep.

**Quail Creek Water Treatment Plant 80 MG Expansion and Ozone addition –
Need approval for conceptual design plan with three engineering firms**

The district has selected three qualified engineers to submit designs for the expansion. The firms selected are Carollo Engineers, AE2S and Hazen and Sawyer. The district will pay up to \$80 thousand dollars to each firm. The district will give them 2 months to come up with their best concept for this project, and then the district will select the best design or best combination of designs. The construction of this project will cost about \$100 million.

Adam Bowler made a motion to approve the Quail Creek Water Treatment Plant with the idea that we select the best design out of the 3 engineers and will not exceed \$80,000 per firm. The motion was seconded by Victor Iverson, all voted aye.

Consider Procurement for Ash Creek Pipeline Phase I Construction

The district received six bids for this project, and Harward & Rees submitted the lowest bid. The bid amount for the project is \$10,151,953.00.

Kress Staheli made a motion for the Ash Creek Pipeline Phase I construction to be awarded to Harward & Rees, in the amount of \$10,151,953.00. The motion was seconded by Adam Bowler, all voted aye.

Consider the proposed agreement for Quail Creek Water Treatment Plant 10 MG Tank

Bowen Collins & Associates estimates the construction of the 10 MG tank is \$22 million dollars. The district has selected the engineering firm, Bowen Collins & Associates, to design, manage and inspect this project. The district will pay Bowen Collins & Associates \$1,348,075.00 to design, manage, and inspect this project.

Kevin Tervort made a motion to approve the proposed agreement for Quail Creek Water Treatment plant's 10 MG tank for the bid to Bowen Collins &

Associates, and not to exceed the amount of \$1,348,075.00. The motion was seconded by Kress Staheli, and all voted aye.

Consider Request of the Grapevine Special Service District to join the regional water agreement

The Grapevine Special Service district would like to join the Regional Water Supply Agreement. Grapevine Special Service District is in the town of Leeds. Richard Miller owns 70 acres in the Grapevine area of Leeds, and James Monsen and Richard Monsen would like to develop it. They only have 8 acre-feet of water. The town of Leeds has chosen not to sign the Regional Water Supply Agreement. The Special Service District would like to develop around 1032 homes and there is no zoning for commercial projects. The town of Leeds will need to approve the final plans. The board questioned why the town of Leeds would have the SSD join the Regional Water Supply Agreement rather than joining as a town. The board will need to discuss this further. Ed would like Zach to look into it more.

Consider Procurement for Quail Creek Water Treatment Plant to upgrade filters

Last year the board approved the first phase of upgrading the I/O modules of the filters, four filters were done at that time. The next group of filters needs to be upgraded. There is a total of 8 more. The first phase was sent out for bid and one bid was submitted to the district by Automation & Controls which upgraded the first 4. The district has selected them to upgrade the next 8.

Victor Iverson made a motion to approve the Quail Creek water treatment plant to upgrade filters. The motion was seconded by Adam Bowler, and all voted aye.

Manager's Report

There will be a Special Board meeting on Monday, September 27, 2022, at 5:30 pm regarding the IFFP/IFA. The water year for Kolob is average, the monsoon rains have helped, the soil is wet, and should help with the snowpack going directly into the river.

Consider approving of August 3, 2022, Board of Trustees meeting minutes

Kress Staheli made a motion to approve the Board of Trustee Meeting minutes from the August 3, 2022, board meeting. Kevin Tervort seconded the motion and all vote

Meeting was adjourned upon motion.



Secretary



HINTONBURDICK
CPAs & ADVISORS

Washington County Water Conservancy District 2021 Audit Presentation

Presented September 7, 2022

By HintonBurdick CPAs & Advisors

Financial Audit

- “Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, ... Misstatements are considered material if there is a substantial likelihood that, individually, or in aggregate, they would influence the judgement made by a reasonable user based on the financial statements.”
- We conducted our audit in accordance with
 - auditing standards generally accepted in the United States of America
 - and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States

Financial Audit

- **Internal Controls**
 - Understanding
 - Operating effectiveness
- **Financial Statements**
 - Testing
 - Confirmations
 - Supporting Documentation
 - Analytics
- **Findings**
 - Communicated to management and to those charged with governance.
 - Material weaknesses and significant deficiencies
 - Other items

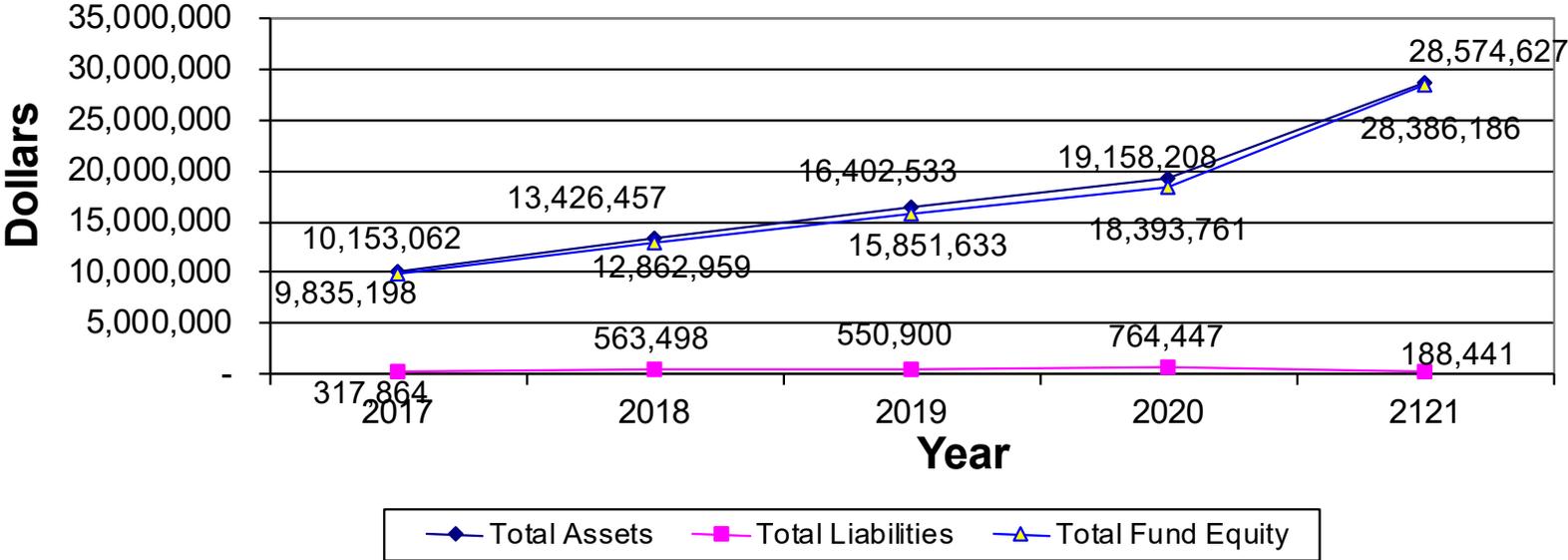
Audit Reports

- **Independent Auditors Report (pg. 1-3).**
 - Unmodified or “clean opinion”
- **Report on Compliance and on Internal Control over Financial Reporting (pg. 61-62).**
 - Any material weaknesses and significant deficiencies noted during the audit are listed in this report.
 - 2020-001 Reconciliation of Balance Sheet Account Balances
- **State Compliance Report (pg. 63-65).**
 - Unmodified or “clean opinion”
 - no material findings

Government Wide Financial Highlights

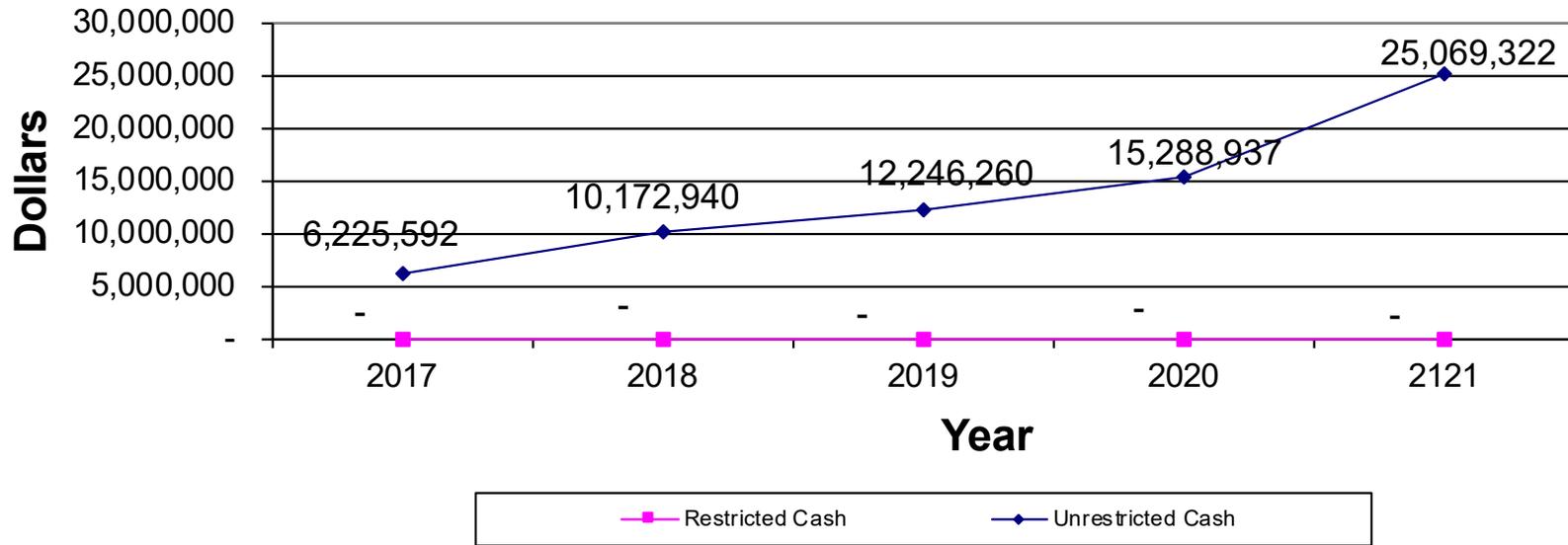
- Total net position (equity) was \$455,054,258 at December 31, 2021, (pg. 14).
- Total net position increased by \$55,522,928 million (pg. 15).
 - Governmental activities increased by \$19.8 million and Business-Type activities increased by \$35.7 million.
- **Classification of Net Position**
 - Net invested in Capital Assets \$148,398,767
 - Restricted \$275,436,635
 - Unrestricted \$31,218,856
- Over time, increases or decreases in net position are an indicator of whether the financial health of the District is improving or deteriorating.

WCWCD GENERAL FUND BALANCE SHEET TREND



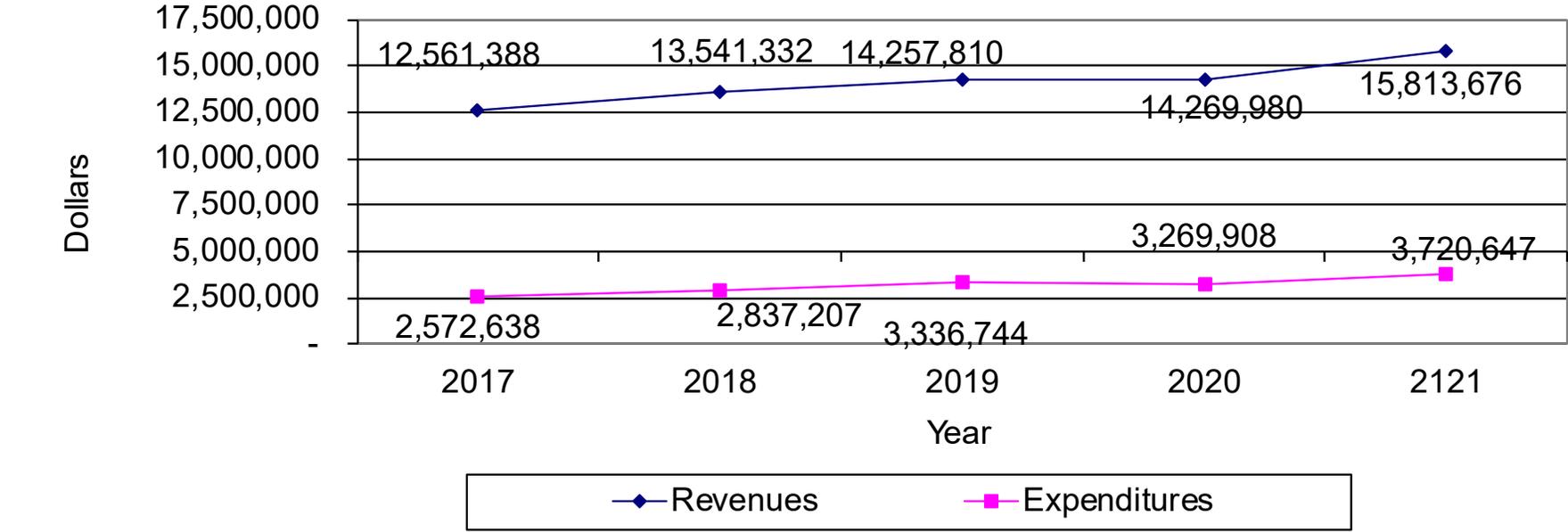
The General Fund shows a healthy balance sheet which is reported on the modified accrual basis. The modified accrual basis does not reflect long-term debt or capital assets. At the end of 2021 the District resolved to move the majority of cash and equity from the General Fund to the Capital Projects Fund, which transfer should occur in 2022.

WCWCD GENERAL FUND CASH TREND Restricted Cash and Unrestricted Cash



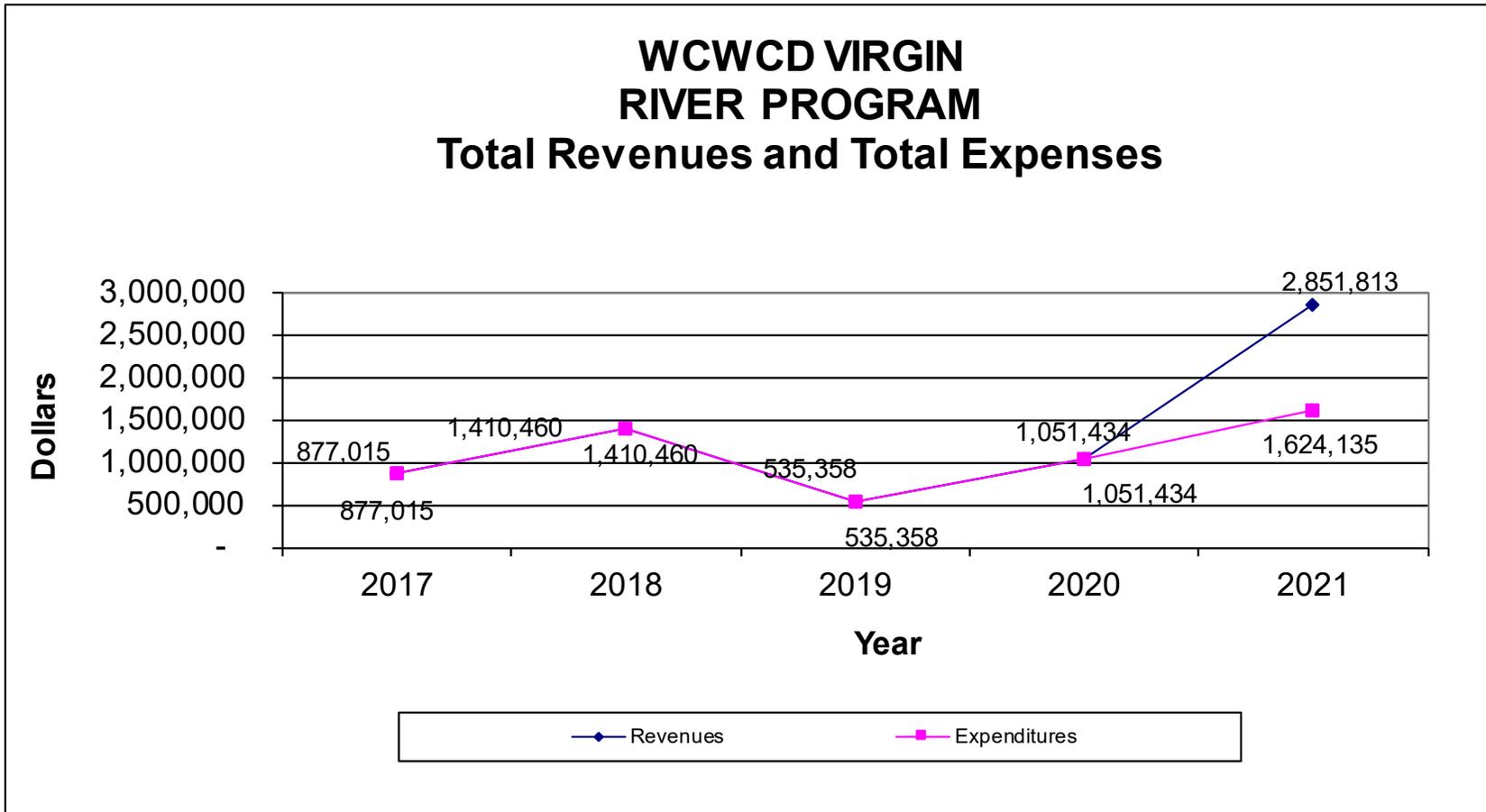
The cash has increased in each of the last five years. The General Fund continues to show a strong cash position. At the end of 2021 the District resolved to move the majority of cash and equity to the Capital Projects Fund, which transfer should occur in 2022.

WCWCD GENERAL FUND Revenue and Expenditure Trend

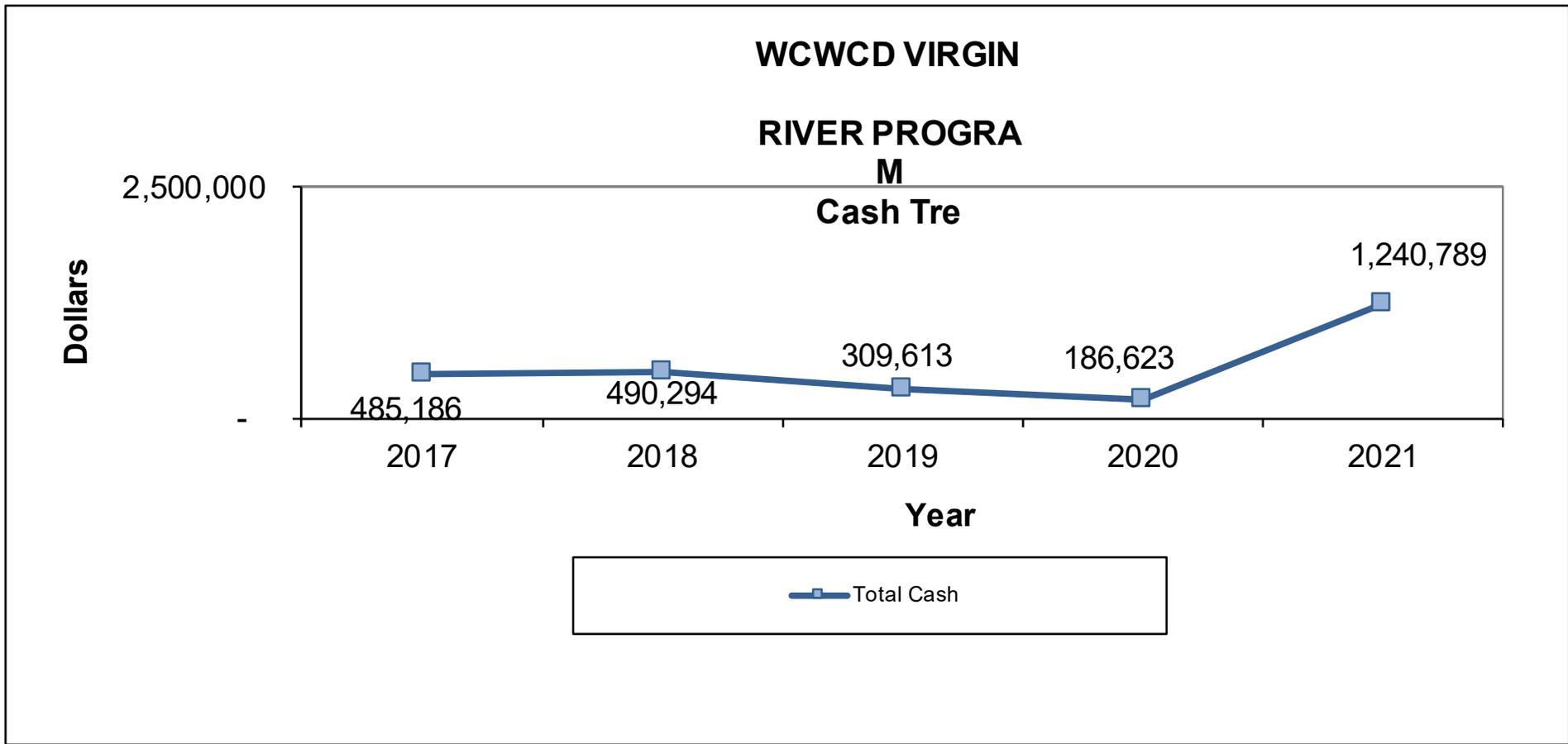


The General Fund is normally expected to break even over time. The District’s General Fund has reported excess revenues over expenditures for the last five years. Excess funds are being moved to the Capital Projects Fund to finance water projects which are expected to increase in number and cost as population continues to grow and water scarcity continues to be a challenge.

WCWCD VIRGIN RIVER PROGRAM Total Revenues and Total Expenses

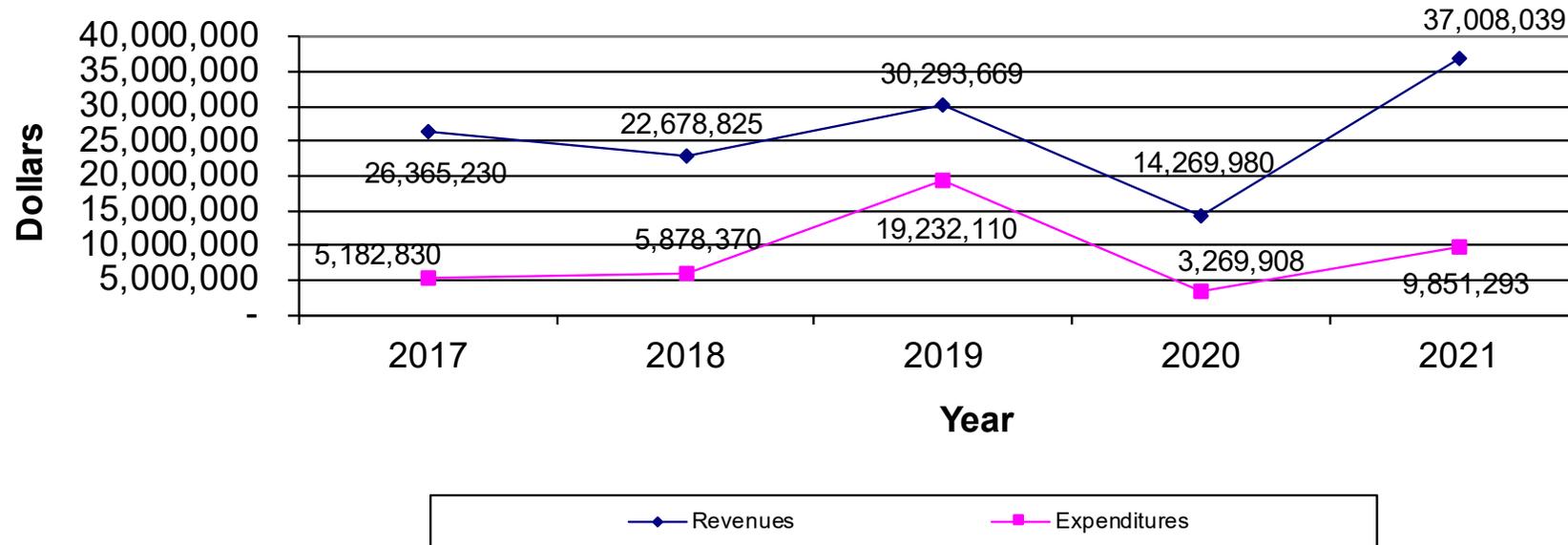


Special revenue funds are expected to break even over time. The Virgin River Program Fund has broken even in four of the last five years. It is expected that there will be some years where revenues exceed expenses and some where expenses exceed revenue. The revenues in excess of expenses in 2021 continue to be held in the Virgin River Program Fund and are restricted for use of projects and activity that fall in line with the purpose of the fund.

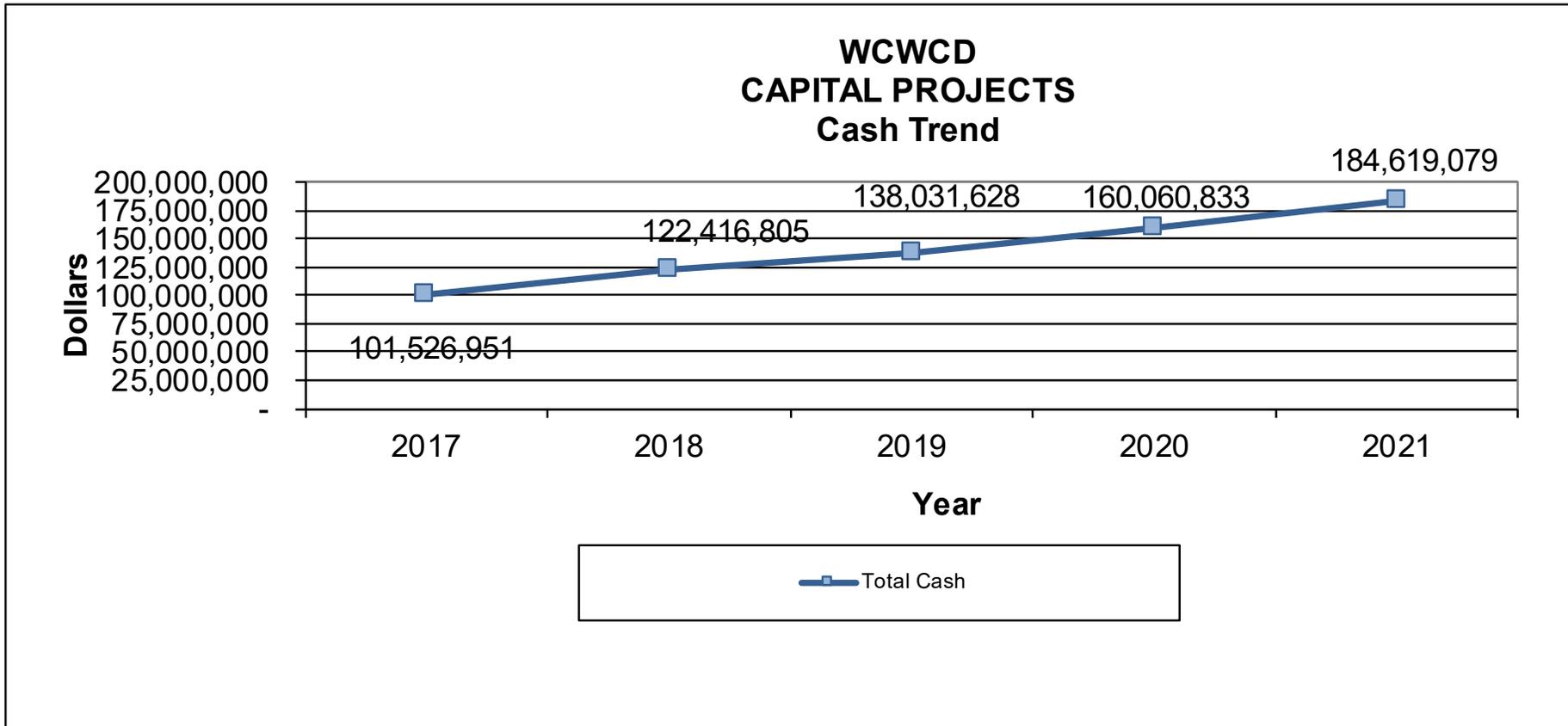


While the Fund has had net income of \$0 over four of the last five years, cash could increase or decrease due to timing of receipts and liabilities, and from transfers in or out of the Fund as appropriate. The cash increase in 2021 is a result of the Fund’s net income in that year.

WCWCD CAPITAL PROJECTS Total Revenues and Total Expenses

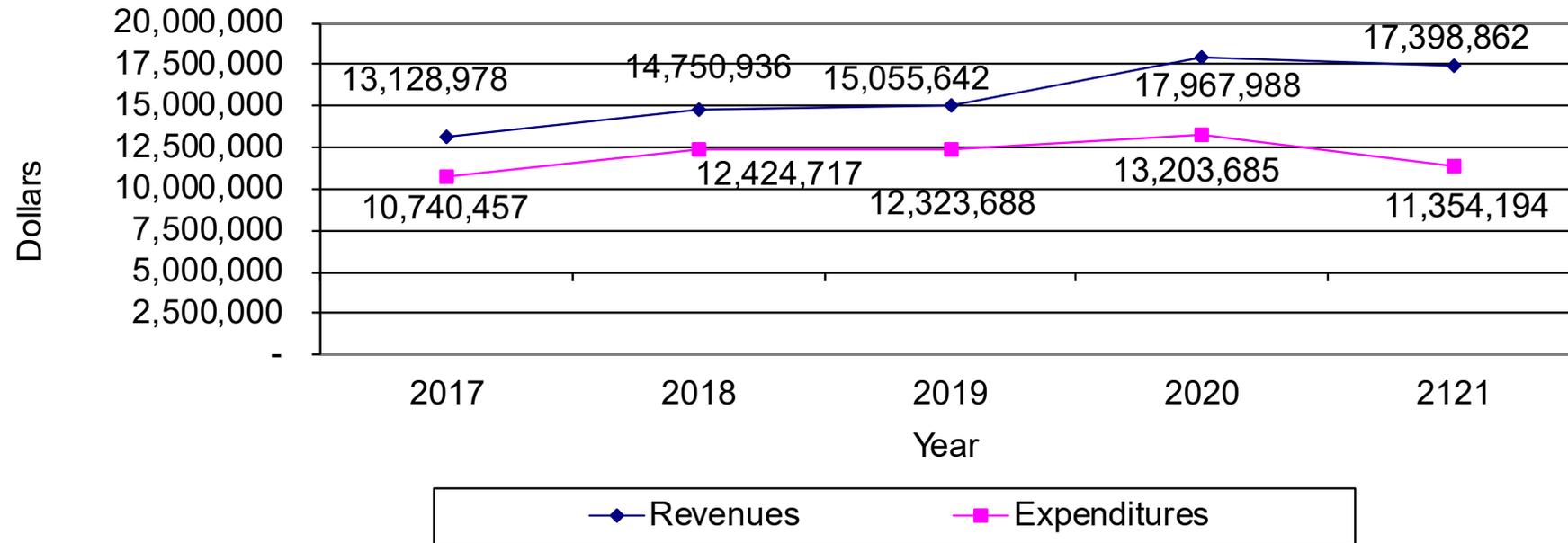


Governmental funds are expected to break even over time. A capital project fund typically builds up resources over time and then expends those accumulated funds over a relatively short period of time, due to the significant costs of capital projects. The capital projects fund has had revenue in excess of expenditures in each of the last five years.



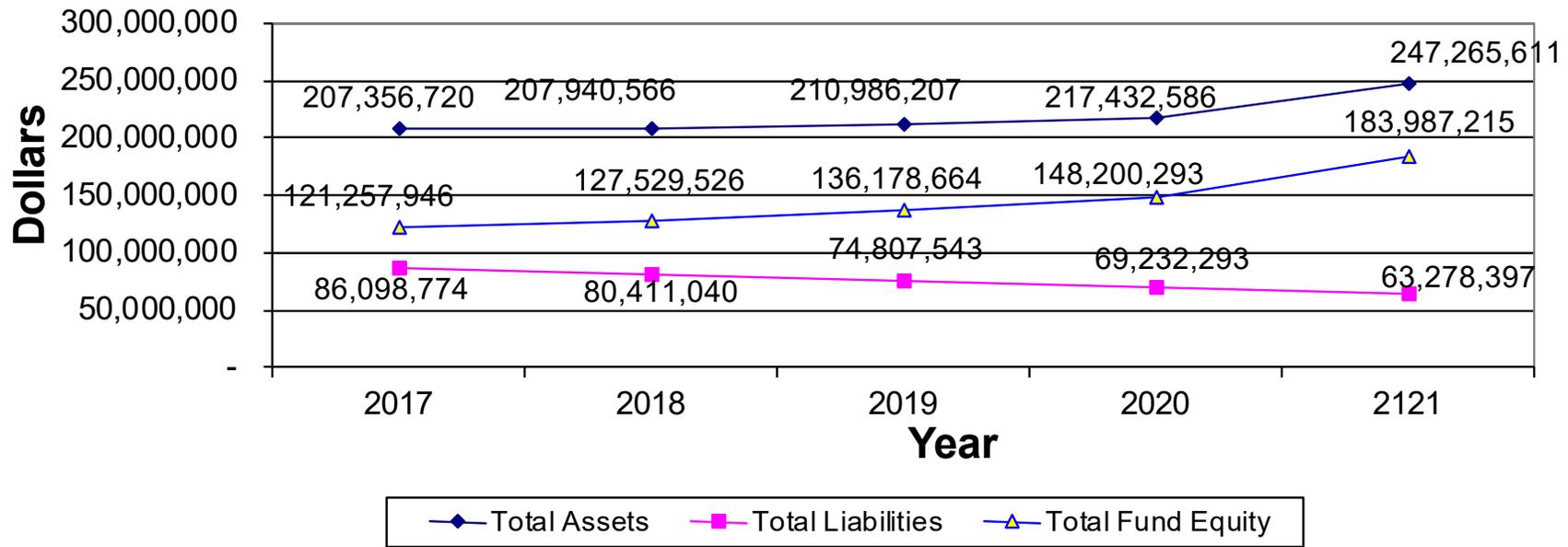
Cash in the Capital Projects Fund has built up as revenues have been more than expenses in each of the last five years, and any transfers into the Fund.

WCWCD PROPRIETARY FUND Revenue and Expenditure Trend

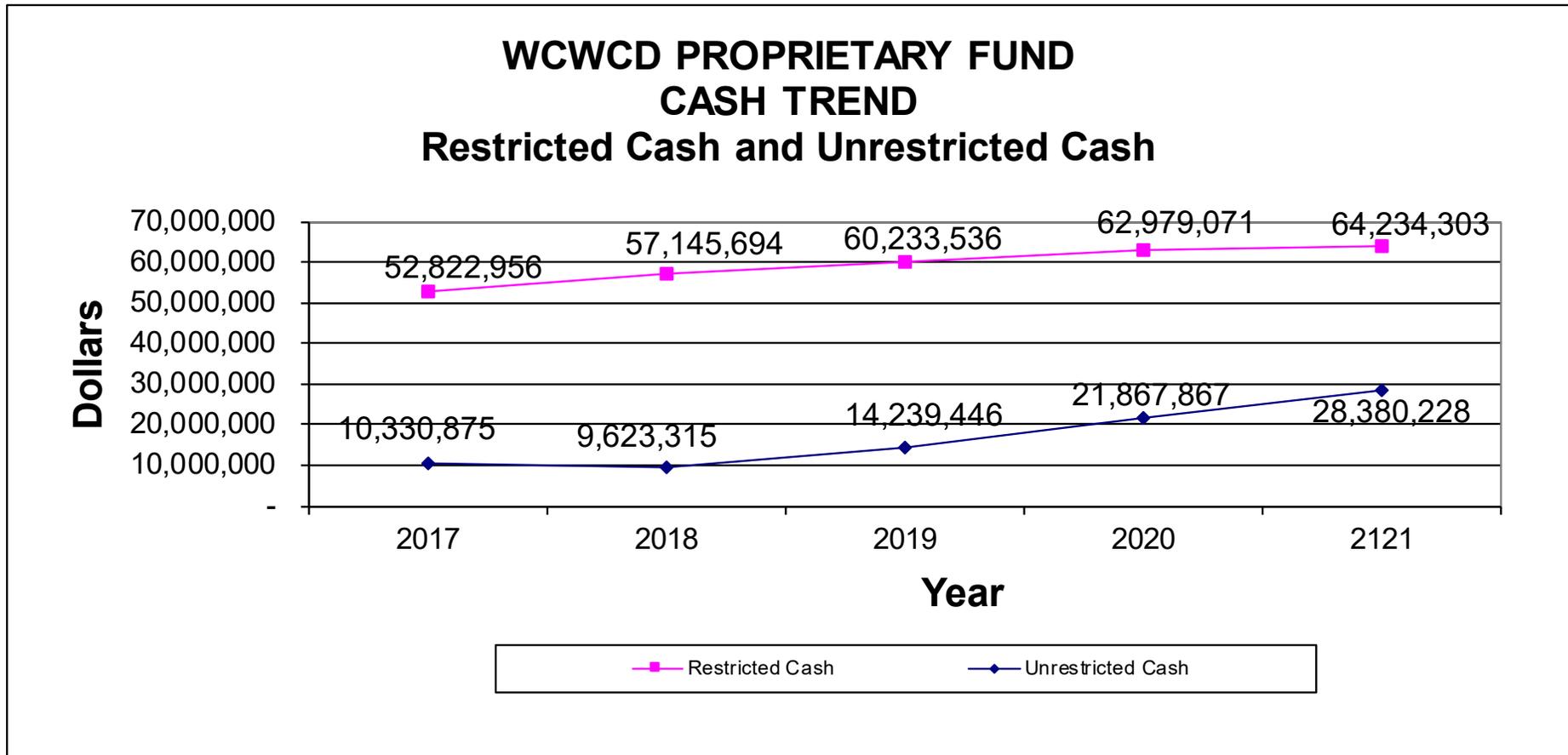


Unlike governmental funds, proprietary funds are more business like in nature. They utilize full accrual accounting, tracking long term assets and liability, and should build resources over time to address long term debt and replace long term assets as they age and deteriorate. The proprietary fund has had net income in each of the last five years, helping the District to build those resources.

WCWCD PROPRIETARY FUND BALANCE SHEET TREND



The five year trend for the proprietary fund has been a reasonable one with liabilities being reduced while assets and equity have trended up in each of the five years.



37% of the Districts assets in the Proprietary Fund are cash. Of those amounts, 69% is restricted and the remaining 31% are unrestricted for use however and whenever is best to meet the District’s needs.

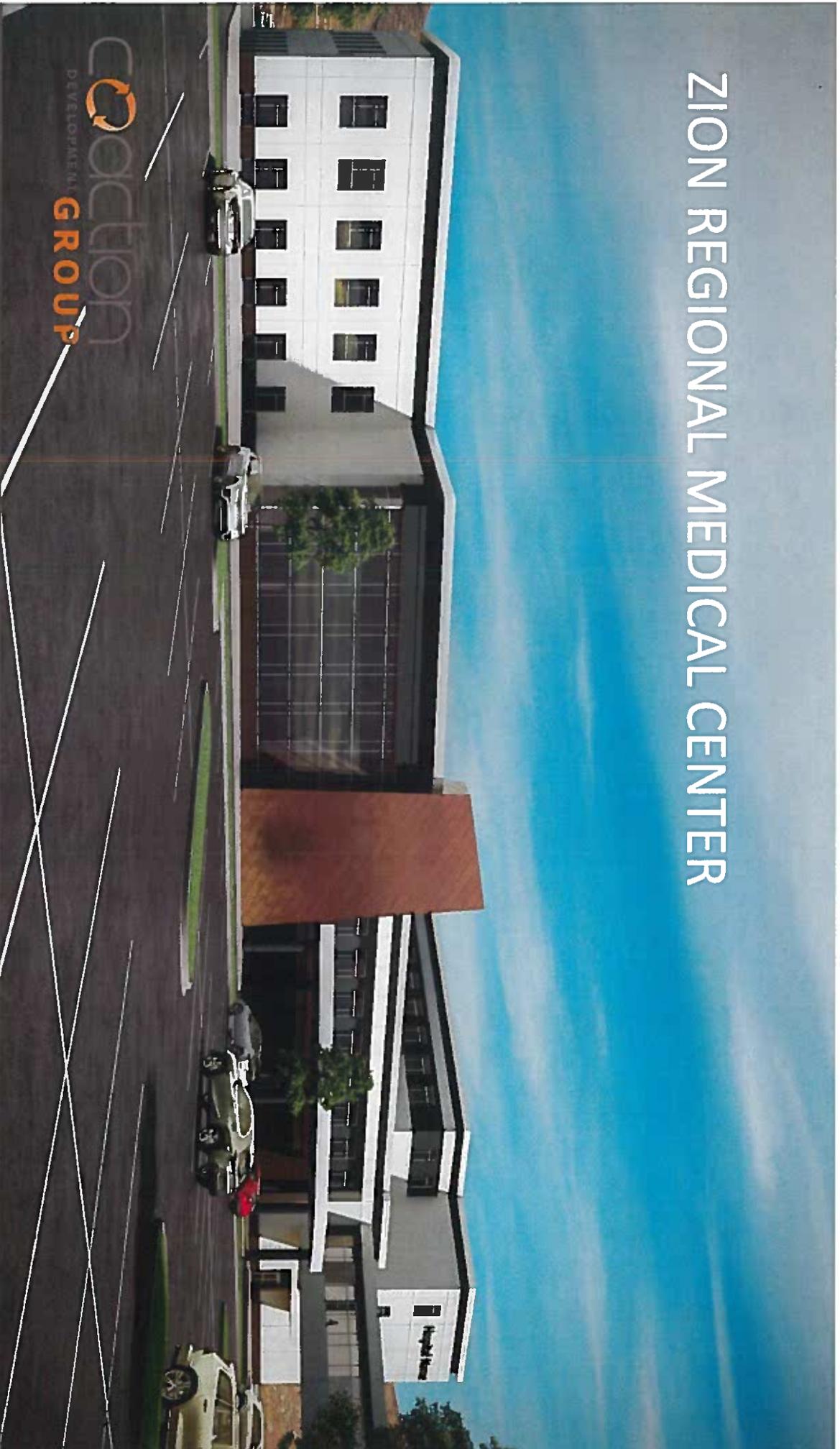
Questions?

- Please contact R. McKay Hall
 - Phone: 888-566-1277 x272
- Email: mhall@hintonburdick.com

Thank You!

- Thank you for the opportunity to work with the District.
- An audit can take additional time and effort above and beyond the normal work load, and we want to thank all those who assisted us with this year's audit.
- This year was also an outlier due to the software conversion and a number of issues that arose from that conversion.

ZION REGIONAL MEDICAL CENTER



Trust. Quality. Futures.

Building together.

Single-Source
MEDICAL FACILITIES
DEVELOPER

CORPORATE HEADQUARTERS: 3100 West Ray Road, SUITE 201, CHANDLER AZ, 85226 | 480.452.2210 | COACTIONGRP.COM

Economic Impact

- Real Estate Commitment: \$390M
- Job Creation: 700 +/-
- Hospital Annual Payroll: \$25M
- Partnerships with local & state medical schools
- Community Outreach Programs

Water Usage*

- Hospital : (2-4" meters**)
 - Peak flow 208 gpm
 - *26,400 gallons per day
- Medical Office One: (2-2" meters)
 - Peak flow 85 gpm
 - *10,600 gallons per day
- Medical Office Two: (2-2" meters)
 - Peak Flow 65 gpm
 - *8,000 gpm

Water Wise Landscape Irrigation:
 COSG Pressurized Irrigation

*estimated monthly @ full build-out
 **Includes hospital redundant meter requirement per health department



Critical Dates*
 Construction Start: Q1/2023

Opening Date: Q4/2024

*estimated



Project Updates: Ash Creek Project, Cottam Well System, Quail Creek Treatment Plant

Corey Cram, September 7, 2022

Ash Creek Reservoir to Pintura



South Ash/Leap Creek and Pintura Irrigation System



Engineer: Alpha Engineering
Contractor: WW Clyde

Pintura to Toquer Reservoir



- *Construction Bid Board Approval*
- 4.9 miles of 36-inch HDPE Pipe
- 9 month construction Contract
- BLM, SITLA and private Properties



Cottam Well System



Cottam 3 MG Tank Progression



Quail Creek Treatment Plant pipeline to Cottam System



**WASHINGTON COUNTY WATER CONSERVANCY DISTRICT
A RESOLUTION UPDATING ADMINISTRATIVE POLICY & PROCEDURES
REGARDING PROCUREMENT**

WHEREAS, Washington County Water Conservancy District Administrative Policy & Procedures provides a policy related to Procurement;

NOW THEREFORE, be it resolved that the following section of the Administrative Policy & Procedures shall be amended to include the underlined language and omit the stricken language:

4.4 INDEPENDENT AUDITOR

4.4.1

The independent auditor has the responsibility of reporting whether the District's financial statements are prepared in conformity with generally accepted accounting principles. Copies of the annual financial report or the audit report furnished by the independent auditor shall be filed with the state auditor and Fifth District Court and shall be filed as a public document in the office of the District.

4.4.2

~~The District shall select its auditor by a competitive request for proposal process.~~

CHAPTER 5: PROCUREMENT

5.1 GENERAL PROVISIONS

5.1.1 Utah Procurement Code.

This policy implements the Utah Procurement Code ("Procurement Code," Utah Code Annotated, Sections 63G-6a-101 et seq.).

5.1.2 Procurement Official.

The Board of Trustees (Board) designates the General Manager as the procurement official.

5.1.3 Definitions.

Terms used in this chapter shall have the same meaning as terms defined in the "Definitions" section of the Procurement Code (Utah Code Annotated, Section 63G-6a-103).

5.1.4 Public Notice.

Public notice of procurement solicitations shall be given as set forth in the Procurement Code (Utah Code Annotated, Section 63G-6a-112). When the Procurement Code requires public notice of procurement solicitations, the notice will be published on the District's website for seven (7) days before the close of the solicitation unless otherwise approved by the General Manager.

5.1.5 Approvals.

a. Up to \$10,000

The department supervisor may approve purchases of goods or services up to

\$10,000 if the purchase is within the department's budget as approved by the Board in the annual budget of the District.

- b. Over \$10,000 and up to \$100,000 and Agreements Already Approved by the Board

The General Manager may approve purchases of goods or services over \$10,000 and up to \$100,000 if the purchase is within the annual budget of the District approved by the Board. The General Manager may approve purchases of goods or services in any amount if the agreement for the goods or services has been approved by the Board.

- c. Over \$100,000 and Other Contracts and Purchases

Any other purchase of goods or services, including those over \$100,000, must be approved by the Board.

5.1.6 Purchase and Approval Documentation.

- a. Documentation Based on Price

a-i. Up to \$10,000

A receipt or invoice is required for a purchase up to \$10,000.

b-ii. Over \$10,000 and up to \$50,000; ~~State Cooperative Contracts~~

Except in cases of emergency or as otherwise approved by the General Manager, a ~~purchase memorandum~~, purchase order or contract signed by the General Manager is required for a purchase over \$10,000 and up to \$50,000 ~~or a purchase from a state cooperative contract of any amount over \$10,000.~~

e-iii. Over \$50,000

Except in cases of emergency or as otherwise approved by the General Manager, a contract signed by the General Manager is required for all purchases over \$50,000 ~~that are not part of a state cooperative contract.~~

- b. Procurement Memorandum

A procurement memorandum signed by the General Manager is required for all purchases excluding direct award for small purchases in general.

5.1.7 Contract Types and Terms.

Any type of contract that will promote the best interests of the District may be used, subject to the requirements and prohibitions set forth in the Procurement Code (Utah Code Annotated, Section 63G-6a-120~~5~~1 et seq.).

- a. Written Determinations

When a contract other than a firm fixed price contract is used, the procurement official will make the written determination required by Utah Code Annotated, Section 63G-6a-1205.

~~W~~In addition, when a cost-reimbursement contract is used, the procurement official will make the written determination required by Utah Code Annotated, Section 63G-6a-1205.

When a contract provides for installment payments, the procurement official will make the written determination required by Utah Code Annotated, Section 63G-6a-1208.

~~A written determination required by this section will be filed in the project or contract file.~~

- b. Prohibitions

~~A cost plus percentage of cost contract is generally prohibited except as~~

~~permitted under Utah Code Annotated, Section 63G-6a-1205.~~

~~e. b. Multi-Year Contracts~~

~~The procurement officer/official may make a determination to enter into a multi-year contract of up to five (5) years pursuant to the requirements provided in Utah Code Annotated, Section 63G-6a-1204.~~

~~Multi-year contracts may exceed five (5) years if the procurement official/er makes the written determination required in Utah Code Annotated, Section 63G-6a-1204.~~

~~The written determination will be filed in the project or contract file.~~

~~d. c. Multiple Award Contracts~~

~~Multiple award contracts may be made in accordance with Utah Code Annotated, Section 63G-6a-1204.5.~~

~~d. Cost-Plus-Percentage-of-Cost Contracts~~

~~A cost-plus-percentage-of-cost contract is generally prohibited except as permitted under Utah Code Annotated, Section 63G-6a-1205.~~

~~e. Prepayment for Procurement Item~~

~~Prepayment for a procurement item is generally prohibited except as permitted under Utah Code Annotated, Section 63G-6a-1208.~~

~~e. f. Leases~~

~~Leases or lease purchases of a procurement item may be made in accordance with Utah Code Annotated, Section 63G-6a-1209.~~

5.1.8 Change Orders.

a. Approval by Project or Contract Manager

The project or contract manager designated by the General Manager may approve change orders that do not exceed 10% of the total project or contract budget if the change order does not cause the District to exceed the total project or contract budget as approved by the Board in the annual budget of the District.

b. Approval by General Manager

The General Manager may approve change orders that exceed 10% of the total project or contract budget if the change order does not cause the District to exceed the total project or contract budget as approved by the Board in the annual budget of the District.

c. Approval by Board

The Board must approve change orders that cause the District to exceed the total project or contract budget as approved by the Board in the annual budget of the District.

Pursuant to Utah Code Annotated, Section 63G-6a-1207, sufficient funds must be added to the project or contract budget, or the scope of the project or contract must be adjusted.

d. Construction Contracts

Pursuant to Utah Code Annotated, Section 63G-6a-1207, prior to approval of a change order that increases the contract amount of a construction contract, the senior accountant or the official that monitors and reports the status of the costs of the total project or contract budget must certify in writing that the change order is within the determined project or contract budget. ~~The written~~

~~determination required by this section will be filed in the project or contract file.~~

5.1.9 Cancellation of a Solicitation.

Pursuant to Utah Code Annotated, Sections 63G-6a-119 and 63G-6a-902, a solicitation may be canceled if the procurement official determines it is in the best interests of the District and explains the reasons for the cancellation in writing in the manner set forth therein. ~~The documentation will be filed in the project or contract file made available to the public for a period of one (1) year after the cancellation.~~

5.1.10 Rejection of Solicitation Response.

~~A rejection of a response to a procurement solicitation response may be rejected~~ made for the reasons set forth in the Procurement Code (Utah Code Annotated, Sections 63G-6a-120 and 63G-6a-902) and shall be made in writing in the manner set forth therein. The documentation will be provided to the vendor who submitted the rejected solicitation response filed in the project or contract file.

5.1.11 Debarment or Suspension.

Debarment or suspension from consideration for award of contracts may be carried out as set forth in Utah Code Annotated, Section 63G-6a-904. Procedures for the informal hearing will be determined by the procurement official and provided to the vendor at least three (3) business days in advance of the hearing.

~~5.1.12 Prepayment for Procurement Item.~~

~~Pursuant to by Utah Code Annotated, Section 63G-6a-1208, a procurement item may not be paid for until it is received except in one of the following circumstances:~~

- ~~a. It is customary in the industry to prepay for the item;~~
- ~~b. The district will receive an identifiable benefit by prepaying, including reduced costs, additional procurement items, early delivery, better service, or better contract terms; or~~
- ~~c. Any other circumstance in which the procurement official determines in writing that it is necessary or beneficial for the district to pay for the item before it is received.~~

5.2 SMALL PURCHASES

5.2.1 Small Purchases in General.

~~Purchases of general goods or services up to \$50,000 are small purchases and may be made by providing specifications to and requesting a quote from a vendor on an approved vendor list or using the process outlined in this subsection. The yearly amount of s~~Small purchases of general goods or services from a single vendor may not exceed \$100,000 within a fiscal year (the annual cumulative threshold for direct award).

a. Up to \$2,000 (Direct Award)

Purchases of goods or services with a cost per item of up to \$2,000 may be made by direct purchase (the individual procurement threshold for direct award). The total amount of the purchase may not exceed \$10,000 (the single procurement aggregate threshold for direct award).

~~The documentation for these purchases includes the receipt or invoice.~~

b. Over \$2,000 and up to \$50,000 (Competitive Quotes)

Purchases of goods or services with a cost per item over \$2,000 and up to \$50,000 may be made by providing vendors with minimum specifications, obtaining at least two competitive quotes, and purchasing the item from the responsible vendor offering the lowest quote that meets the specifications (the individual procurement threshold for competitive quotes). The total amount of the purchase may not exceed \$50,000 (the single procurement aggregate threshold for competitive quotes).

~~The documentation for these purchases includes the quotes and the receipt, invoice, purchase memorandum, purchase order or contract.~~

5.2.2 Small Purchases of Construction Services.

~~Purchases of construction services up to \$100,000 are small purchases and may be made by providing specifications to and requesting a quote from a vendor on an approved vendor list or using the process outlined in this subsection. The yearly amount of Small purchases of construction services from a single vendor may not exceed \$150,000 within a fiscal year (the annual cumulative threshold for direct award).~~

a. Up to \$50,000 (Direct Award)

~~Purchases of construction services with a cost of up to \$50,000 may be made by direct purchase (both the individual procurement threshold and the single procurement aggregate threshold for direct award).~~

~~The documentation for these purchase includes the purchase memorandum, purchase order or contract.~~

b. ~~(b)~~ Over \$50,000 and up to \$100,000 (Competitive Quotes)

~~Purchases of construction services with a cost over \$50,000 and up to \$100,000 may be made by providing vendors with minimum specifications, obtaining at least two competitive quotes, and purchasing the item from the responsible vendor offering the lowest quote that meets the specifications (both the individual procurement threshold and the single procurement aggregate threshold for competitive quotes).~~

~~The documentation for these purchases includes the quotes and the purchase memorandum, purchase order or contract.~~

5.2.3 Small Purchases of Professional Services or Technology Products.

~~Purchases of professional services or technology products with a cost of up to \$100,000 (both the individual procurement threshold and the single procurement aggregate threshold) are small purchases and may be made by selecting a vendor from an approved vendor list or by direct purchase after reviewing the professional qualifications or technology qualifications or products of at least two vendors (both the individual procurement threshold and the single procurement aggregate threshold). The yearly amount Small purchases of professional services or technology products from a single vendor may not exceed \$150,000 within a fiscal year (the annual cumulative threshold).~~

~~The documentation for these purchases includes a memo documenting the vendors selected for review and the purchase memorandum, purchase order or contract.~~

5.2.4 Quotes.

When quotes are required under this section, electronic, telephone, or written quotes are permitted.

5.2.5 Prohibitions.

- a. Ongoing, Continuous, and Regularly Scheduled Procurements
Pursuant to Utah Code Annotated, Section 63G-6a-506, small purchases may not be used for ongoing, continuous, and regularly scheduled procurements that exceed the annual cumulative threshold.
- b. Dividing Small Purchases
It is unlawful to knowingly divide a single procurement into multiple smaller procurements as described in Utah Code Annotated, Section 63G-6a-506.

5.3 PURCHASES WITHOUT STANDARD PROCUREMENT PROCESS

Pursuant to Utah Code Annotated, Section 63G-6a-802, when a contract is awarded pursuant to this section, the procurement official must ensure that the terms of the contract, including price and delivery, are in the best interest of the ~~procurement unit~~ District. ~~The written determination required by this section will be filed in the project or contract file.~~

5.3.1 Sole Source.

Pursuant to Utah Code Annotated, Section 63G-6a-802, the District may award a contract for a procurement item without engaging in a standard procurement process if the procurement official determines in writing that there is only one source for the procurement item.

5.3.2 Transitional Costs.

Pursuant to Utah Code Annotated, Section 63G-6a-802, the District may award a contract for a procurement item without engaging in a standard procurement process if the procurement official determines in writing that:

- a. The transitional costs are a significant consideration in selecting a procurement item; and
- b. The results of a cost-benefit analysis demonstrate that transitional costs are unreasonable or cost-prohibitive, and that the award of a contract without engaging in a standard procurement process is in the best interest of the District.

5.3.3 Other Circumstances.

Pursuant to Utah Code Annotated, Section 63G-6a-802, the Board has determined the circumstances listed in this subsection make awarding a contract through a standard procurement process impractical and not in the best interest of the District. The procurement official may determine in writing that a contract for goods or services will be awarded without engaging in a standard procurement process if one of the following circumstances exists:

- a. **Condition of a Donation**
The award to a specific vendor is a condition of a donation that will fund the full cost of the good or service.
- b. **Continuation of Previous Purchases**
The purchase is a continuation of previous purchases, and there exists a clear potential economic benefit to the District to negotiate a contract directly with the firm that supplied the initial purchase.
- c. **No Response to a Standard Solicitation**
The District does not receive a response to its standard solicitations such as

requests for quotes, invitations to for bids, or requests for proposals or statements of qualifications.

d. Professional Services

The contract is for professional services. In this circumstance, the contract shall be negotiated on the basis of demonstrated competence and qualification and at fair and reasonable prices.

e. Not Practicable or Not Advantageous

~~The Procurement Official determines that it~~ It is not practicable or not advantageous for the District to procure the goods or services through a standard procurement process. In this circumstance, the written determination must include an explanation justifying the determination ~~that it is not practicable or is not advantageous for the goods or services through a standard procurement process.~~

f. State Cooperative Contract

~~The item is purchased under a state cooperative contract.~~

5.3.4 Public Notice for Purchases Without Standard Procurement Process.

When a good or service is procured without engaging in a standard procurement process and the cost of the procurement exceeds \$50,000, public notice of the procurement must be given in accordance with Utah Code Annotated, Section 63G-6a-112 and this policy, except as otherwise provided for in Utah Code Annotated, Section 63G-6a-802.

5.4 EMERGENCY PROCUREMENT

Pursuant to Utah Code Annotated, Section 63G-6a-803, the procurement official may authorize the District to engage in an emergency procurement without using a standard procurement process if the procurement is necessary to:

- a. Avoid a lapse in a critical government service;
- b. Mitigate a circumstance that is likely to have a negative impact on public health, safety, welfare, or property; or
- c. Protect the legal interests of a public entity.

The procurement must be made with as much competition as reasonably practicable while:

- a. Avoiding a lapse in a critical government service;
- b. Avoiding harm or risk of harm to public health, safety, welfare, or property; or
- c. Protecting the legal interests of a public entity.

5.4.1 Public Notice for Emergency Procurement.

Within fourteen (14) days of the emergency procurement ~~After the emergency has abated,~~ a written document explaining describing the emergency condition that necessitated the emergency procurement shall be prepared and posted on the District's website in accordance with Utah Code Annotated, Section 63G-6a-803. ~~The documentation for an emergency procurement will be filed in the project or contract file and includes the written explanation.~~

5.5 INVITATION ~~TO~~ FOR BIDS

Except as otherwise required by this policy, purchases of goods or services may be made by an

invitation ~~to~~for bids as provided for in Part 6 of the Procurement Code (Utah Code Annotated, Section 63G-6a-602 et seq.).

~~The documentation for a procurement made by invitation to bid includes the invitation to bid, bids, bid tabulation and notice of award.~~

5.5.1 Public Notice of Award.

After evaluating bids, the contract award shall be published in accordance with Utah Code Annotated, Section 63G-6a-606.

~~5.5.1~~ 5.5.2 Bid Security.

Bid security for all competitive bidding for construction contracts shall be provided in the manner and amounts required under Utah Code Annotated, Section 63G-6a-1102. Failure to comply with the bid security requirements will result in rejection of the bid unless the failure is nonsubstantial as determined in writing by the procurement official.

~~5.5.2~~ 5.5.3 Bonds.

a. Provision of Bonds

The contractor to whom a construction contract is awarded shall provide bonds in the manner and amounts required under Utah Code Annotated, Section 63G-6a-1103.

b. Waiver of Bonds

Any or all bond requirements may be waived under any of the following circumstances:

- i. The construction contract does not exceed \$50,000 when awarded and the procurement official determines that the bonds are not necessary to protect the District.
- ii. The procurement official determines in writing that the bond is not necessary to protect the procurement unit District and includes the reasons for the determination. ~~The written determination required will be filed in the project or contract file.~~

5.5.4 Insurance

The purchase of insurance shall be made by an invitation for bids pursuant to Utah Code Annotated, Section 63G-7-804.

5.6 REQUEST FOR PROPOSALS

Except as otherwise required by this policy, purchases of goods or services may be made by a request for proposals as provided for in Part 7 of the Procurement Code (Utah Code Annotated, Section 63G-6a-701 et seq.). A written statement shall be prepared and submitted to the procurement official pursuant to Utah Code Annotated, Section 63G-6a-707.

~~The documentation for a procurement made by request for proposals includes the request for proposals, proposals, the written statement as required by Utah Code Annotated, Section 63G-6a-707, and notice of award.~~

5.6.1 Cost Proposal.

An evaluation committee member is prohibited from knowing or having access to information relating to the cost of a proposal until after submitting a recommendation based on the scores of all criteria other than cost, except as permitted under Utah Code Annotated, Section 63G-6a-707.

5.6.2 Independent Auditor

The purchase of audit services shall be made by a request for proposals in accordance with the state auditor's procedures pursuant to Utah Code Annotated, Section 51-2a-301.

5.7 REQUEST FOR STATEMENTS OF QUALIFICATIONS

5.7.1 Multiple-Stage Procurement Process.

The request for statement of qualifications process set forth in Utah Code Annotated, Section 63G-6a-410 may be used as one of the stages in a multiple-stage standard procurement process to identify qualified vendors to participate in other stages of the multiple-stage procurement.

~~The documentation for a multi-stage procurement includes the request for statement of qualifications, statements, and notice to qualifying vendors.~~

5.7.2 Approved Vendor List.

The request for statement of qualifications process set forth in Utah Code Annotated, Section 63G-6a-410 must be used to establish an approved vendor list.

~~a. Approved Vendor List as Part of a Standard Procurement Process~~

~~Pursuant to Utah Code Annotated, Section 63G-6a-507, a contract may be awarded to a vendor on an approved vendor list using an invitation ~~to~~for bids, a request for proposals, the small purchase process, or the design professional procurement process. Participation in any of these processes may be limited to the vendors on the approved vendor list.~~

~~b. Approved Vendor List and Price Based on Established Terms~~

~~Pursuant to Utah Code Annotated, Sections 63G-6a-113 and 63G-6a-507, a contract may be awarded to a vendor on an approved vendor list at an established price based on:~~

- ~~i. Established by a price list, rate schedule, or price catalog submitted by a vendor and accepted by the District; or~~
- ~~ii. Mmandated by the District or a federal agency; or~~
- ~~ii. iii. A Established by a federal regulation for a health and human services program.~~

~~The documentation for a procurement made through an approved vendor list and price based on established terms includes the receipt, purchase memorandum, purchase order, or contract.~~

5.8 DESIGN-PROFESSIONAL PROCUREMENT

Except as otherwise provided in the Procurement Code, procurement of design professional services must be made through a request for statement of qualifications as provided in Part 15 of the Procurement Code (Utah Code Annotated, Section 63G-6a-1501 et seq.). Procurement of other professional services may also be made through a request for statement of qualifications as provided in Part 15.

~~The documentation for a procurement made through the design professional procurement process includes the request for statement of qualifications, a memo documenting the vendors selected for review and reasons for selection, and notice of selection.~~

5.9 CONSTRUCTION CONTRACT MANAGEMENT

The method of construction contracting management utilized in any given project shall be determined by the ~~G~~general ~~M~~anager or the General Manager's designee who may consult with the District's engineer. Any method of construction contracting management that is determined to be feasible after considering the factors provided by Utah Code Annotated, Section 63G-6a-1302 may be utilized. The procurement official will make a written statement describing the facts that led to the method of construction contract management ~~and file it in the project or contract file.~~

Pursuant to Utah Code Annotated, Section 63G-6a-1302, when a construction manager or general contractor is used as the method of construction management, the construction manager or general contractor will be selected using a standard procurement process or an exception to the requirement to use a standard procurement process as outlined in the Procurement Code. The construction manager or general contractor must procure subsequent subcontractors not specifically included in its cost proposal by the same means.

5.10 PURCHASE OF WATER STOCK

The General Manager is authorized to purchase shares of stock in water companies, provided the consideration given in exchange by the District does not exceed \$140,000.00 for a single transaction. Purchases made by the General Manager shall be reported to the Board at its next regularly scheduled meeting. Single transactions that exceed \$140,000 must be approved by the Board.

5.11 PROTESTS AND APPEALS

5.11.1 Protests.

a. Procedure

Protests may be made as set forth in Part 16 of the Procurement Code (Utah Code Annotated, Section 63G-6a-1601 et seq.). Protests shall be made in writing and submitted to the ~~P~~procurement ~~O~~fficial.

b. Notice and Intervention

After a protest is filed, the District will give notice to any party that has been awarded a procurement by the District in the procurement process being protested. The party may intervene in the protest by providing written notice to the ~~P~~procurement ~~O~~fficial within seven (7) days after the notice given by the District.

c. Protest Officer

The procurement official may ~~general manager shall appoint designate~~ a protest officer for any protest filed.

5.11.2 Appeals.

Appeals may be made as set forth in Parts 17, 18 and 19 of the Procurement Code (Utah Code Annotated, Sections 63G-6a-1701, 1801, 1901 et seq.).

5.12 EMPLOYEE AND OFFICER CONDUCT

a. Prohibitions

Employees and officers of the District are prohibited from illegal conduct as

setforth in Part 24 of the Procurement Code (Utah Code Annotated, Section 63G-6a-2401 et seq.). Prohibited activity includes but is not limited to dividing a procurement to avoid following policy (Utah Code Annotated, Section 63G-6a-2404.3) and accepting kickbacks (Utah Code Annotated, Section 63G-6a-2404).

b. Ethics

Employees and officers of the District shall also comply with the requirements of the Utah Public Officers' and Employees' Ethics Act (Utah Code Annotated, Section 67-16-1 et seq.).

c. Disclosure of Conflicts of Interest

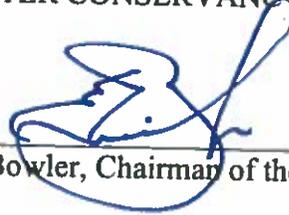
Employees and officers who serve as members of evaluation committees for procurement solicitations must disclose conflicts of interest to the procurement official.

d. Violations

Violations of this policy may result in disciplinary action, up to and including termination of employment. Depending on the specific nature of the violation, it could also result in recovery of funds from the officer or employee, loss of privileges, referral for criminal prosecution, or civil action.

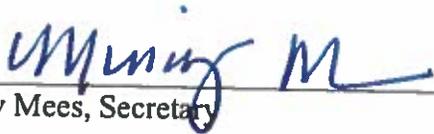
ADOPTED by the Board of Trustees this 7th day of September, 2022.

WASHINGTON COUNTY
WATER CONSERVANCY DISTRICT:



Ed Bowler, Chairman of the Board

ATTEST:



Mindy Mees, Secretary

VOTING:

Ed Bowler	Yea <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Adam Bowler	Yea <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Chris Hart	Yea <input type="checkbox"/>	No <input type="checkbox"/>
Victor Iverson	Yea <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Michele Randall	Yea <input type="checkbox"/>	No <input type="checkbox"/>
Kress Staheli	Yea <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Kevin Tervort	Yea <input checked="" type="checkbox"/>	No <input type="checkbox"/>



August 31, 2022

Randy Johnson
Project Manager
Washington County Water Conservancy District
533 E. Waterworks Dr.
St. George, UT 84770

Subject: Recommendation of Award of Contract to Harward and Rees for the Ash Creek Pipeline Project – Phase 1.

Dear Randy:

Bids for construction of the Ash Creek Pipeline Project – Phase 1 were received by Washington County Water Conservancy District (District) on Tuesday, August 30, 2022. Bowen Collins & Associates (BC&A) completed a review of the bids that were received from six general contractors. Harward & Rees was the apparent low bidder with a Base Bid price of \$10,151,953. Harward & Rees has signed and submitted the appropriate bid forms, provided a 5% Bid Bond, signed the Acknowledgement of Review form, and acknowledged all contract addenda.

A summary of the bids received for the project is provided below for reference and a detailed breakdown of the bids is attached for information.

Rank	Contractor	Base Bid Price	Difference from Low Bid
1	Harward & Rees	\$10,151,953	-
2	Whitaker Construction	\$10,994,630	\$842,677 (8%)
3	Condie Construction	\$11,184,297	\$1,032,344 (10%)
4	WWClyde	\$11,876,000	\$1,724,047 (17%)
5	JP Excavating	\$12,556,851	\$2,404,898 (24%)
6	Vancon Inc	\$20,347,080	\$10,195,127 (100%)

It should be noted that our review of Harward and Rees' bid found that there was a mathematical error in their Total Cost of Bid Schedule reducing their bid from what was read in the bid opening by \$40,000. Our review also found that their unit prices were correct. Per your Contract Documents, "All bids shall be checked for mathematical errors by the Engineer. If errors have been made in the extension of the figures, it will be assumed that the unit prices are correct, and the total amounts will be revised to reflect the corrections". This discrepancy has been coordinated with Harward & Rees and they would still like to proceed with the project. With this correction our review has found the bid from Harward & Rees to be responsive and we recommend that the District consider awarding a construction contract to Harward & Rees in the amount of \$10,151,953 for the Ash Creek Pipeline Project – Phase 1. An Agreement should be executed pending receipt of appropriate bonds and insurance documents following Notice of Award.

August 31, 2022

Page 2

Please call with any questions or concerns regarding this recommendation. BC&A looks forward to working with the District through the successful completion of this important project.

Sincerely,

Bowen, Collins & Associates

A handwritten signature in black ink that reads "Todd Olsen". The signature is written in a cursive, slightly slanted style.

Todd Olsen, P.E.
Project Manager

Attachment



NON-STANDARD PROCUREMENT STATEMENT

The Washington County Water Conservancy District (District) has determined that a contract for additional Filter Building I/O Module Upgrades will be awarded to Automation & Controls as a non-standard procurement agreement because pursuant to rules adopted by the District under Utah Code Section 63G-6a-802, making the award through a standard procurement process would be impractical and not in the best interest of the District due to the following circumstance(s):

- The purchase is a continuation of a previous purchase, and there exists a clear potential economic benefit to the District to negotiate a contract directly with the vendor that supplied the initial purchase. As a result of the professional services received in the previous purchase, Automation & Controls (vendor) discovered system nuances unique to the District's older I/O Module. The information they gathered, along with their familiarity with our system enables this vendor to work more efficiently and accurately to upgrade our filter building I/O module. See Utah Code Section 63G-6a-802(1)(c); WCWCD Administrative Policy 5.3.3(b).
- It is also not practicable or advantageous for the District to procure the service through a standard procurement process because Automation & Controls' familiarity with and knowledge of the District's system enables them to work more efficiently and accurately to upgrade our filter building I/O module. See Utah Code Section 63G-6a-802(1)(c); WCWCD Administrative Policy 5.3.3(e).

Estimated Purchase Amount: \$304,453.60

Dated this 2nd day of September 2022,

A handwritten signature in black ink, appearing to read "Zachary Renstrom", written over a horizontal line.

Zachary Renstrom, General Manager

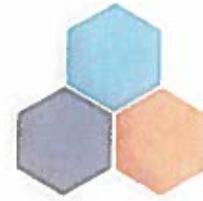
(Post the following notice on the District website.)

Procurement Notice

The Washington County Water Conservancy District (District) will award a contract for additional Filter Building IO Module Upgrades on or after September 14th, 2022 (at least 7 days from posting on website) as a non-standard procurement because pursuant to rules adopted by the District under Utah Code Section 63G-6a-802, making the award through a standard procurement process would be impractical and not in the best interest of the District, as set forth in the Procurement Statement. For more information, contact Mark Layton at 435-673-3617.

Automation & Controls
1404 W 6200 N
Smithfield, UT 84335 US
keith.c@automationandcontrols.com

Estimate



AUTOMATION & CONTROLS

ADDRESS

Mark Layton
Washington County Water
Conservancy District
533 Waterworks Dr
St George, UT 84770
United States

ESTIMATE

DATE

1139

08/31/2022

ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
	<p>Quail Creek Water Treatment Plant Phase 2 (updated: previously phase 3) Upgrade Remote I/O (Input/Output) control hardware in filters 5-12. Included:</p> <ul style="list-style-type: none">-Replacement of all I/O Control In Filters 5-12 Replacement of all TI-Siemens 505 series I/O racks and I/O cards with the latest Siemens 1500 series rail, Profinet Scanner, and I/O Cards.- Pedestal Wiring Changes for Filters 5-12 All wiring changes necessary to replace the I/O. Including additional fusing and wire.-Change Input Status Control On Pedestals 5-8. Change Input status control from 120VAC to 24VDC. Including any interposing relays that may be needed. This will match the changes on pedestals 1-4 and existing input control voltage on pedestals 9-12.- Removal of All Existing Operator Hardware Pedestals 5-12 Removal of all existing analog meters/controllers, indicators, operator controls, and associated wiring.- Enclosure Modifications and Plates to Pedestals 5-12 Enclosure modification and installation of 2 new aluminum plates to cover cutouts for existing operator controls. The lower plate will have a cutout for a new touch screen HMI.- Install and Program HMI For Filters 5-12 Install and program a 15" Red Lion HMI for operator control at each pedestal- Loop Check and Commissioning Perform all loop checks and commissioning for filters 5-12 for proper operation.			

ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
	- Main Filtration PLC Changes Make necessary program modifications to the main Siemens 1500 PLC in the MCC room to accommodate all I/O modifications for filters 5-12. Ensure all filters are functioning properly from an I/O standpoint.			
	Hourly rate is \$140/hr			
Electrical Hardware	S7-1500 Remote I/O Per Pedestal	8	13,856.39	110,851.12
Electrical Hardware	Displays and cover plates for each pedestal to replace current buttons, switches, analog meters, and valve controller, ETC. Per Pedestal.	8	6,317.81	50,542.48
Labor, Programming	Programming: new displays for each pedestal.	8	1,960.00	15,680.00
Labor, Programming	Programming: each pedestal adding new hardware to the existing PLC program and reprogramming current code where applicable	8	3,500.00	28,000.00
Labor, Installation	Each pedestal installing new Siemens remote I/O and rewiring I/O cards.	8	4,480.00	35,840.00
Labor, Installation	Each pedestal removing old hardware and installing new HMI and fabricated mounting plates.	8	2,800.00	22,400.00
Labor, Installation	Loop checks, troubleshooting, filter and overall commissioning of all affected systems.	1	20,000.00	20,000.00
Electrical Design	Each Pedestal redesigning electrical schematics	8	1,680.00	13,440.00
Labor, Administrative	All office work related to gathering parts and information for this project	1	5,600.00	5,600.00
Travel	Travel Category	1	2,100.00	2,100.00
	TOTAL			\$304,453.60

Accepted By

Accepted Date