



## Our Water. Our Future. Our Choice.

The purposes of the District include planning for and facilitating the long-term conservation, development, protection, distribution, management, and stabilization of water rights and water supplies for domestic, irrigation, power, manufacturing, municipal, recreational, and other beneficial uses, including the natural stream environment, in a cost-effective way to meet the needs of the residents and growing population of Cache County.  
[www.cachewaterdistrict.com](http://www.cachewaterdistrict.com)

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### CACHE WATER DISTRICT BOARD OF TRUSTEES MEETING MINUTES August 7, 2023

The Cache Water District Board of Trustees convened for a regular meeting on Aug. 7, 2023, at 5:30 p.m. in the Cache County Historic Courthouse Council Chambers, 199 North Main Street, Logan, Utah.

#### **MEMBERS OF THE BOARD IN ATTENDANCE:**

Mark Anderson – Logan #3 Council District  
Jared Clawson – At-Large Position  
Jonathan Hardman – South Council District  
Kirt Lindley – At-Large Position  
Jeff Ostermiller - Logan #2 Council District  
Max Pierce – North Council District  
Bret Randall – Northeast Council District  
Brett Roper – At Large Position  
Jeannie Simmonds – Logan #1 Council District  
Regan Wheeler – Agricultural Representative

#### **MEMBERS OF THE BOARD EXCUSED:**

Mark Anderson – Logan #3 Council District  
Beth Neilson – Southeast Council District

#### **ATTENDANCE:**

Nathan Daug, Matt Jensen, Debbie Zilles

#### **CALL TO ORDER**

Chairman Pierce called the meeting to order at 5:30 p.m.

Tonight's meeting agenda and the minutes from June 12, 2023, were approved.

**ACTION: Motion by Mr. Clawson to approve the agenda and the minutes as submitted. Seconded by Mr. Lindley. The motion was approved unanimously (9-0).**

**Yea: Clawson, Hardman, Lindley, Ostermiller, Pierce, Randall, Roper, Simmonds, Wheeler**

#### **PUBLIC COMMENT**

No public comment

## 2022 AUDIT

See [-Attachment 1-](#)

Matt Jensen, from Davis & Bott CPA, presented the Jan-Dec 2022 audit. He outlined the exceptions found:

- ✓ 19a – Determine that all Board members receive the required open and public meetings training. The Board will ensure that members are trained annually.
- ✓ 19c – Board members have not completed the required training from the State Auditor on Special Districts. The Board will ensure that members are trained annually. Mr. Daugs will send out a link for the training and members will complete and submit their certificates.
- ✓ 22 – The District does not have a Conflict-of-Interest policy. The Board will establish this policy.
- ✓ 24 – The Treasurer is not bonded per the State Auditor guidelines. The District will obtain a bond for the Treasurer.

Mr. Randall thanked Ms. Simmonds for all her hard work as the treasurer.

**ACTION: Motion by Mr. Clawson to audit as submitted. Seconded by Mr. Randall. The motion was approved unanimously (9-0).**

**Yea:** Clawson, Hardman, Lindley, Ostermiller, Pierce, Randall, Roper, Simmonds, Wheeler

## CALENDAR EVENTS

- Aug 9 Utah Water Task Force @ 10:30 – sent out the link
- Aug 21 APO Proposed Legislation @ 5:30
- Sept 28 Cloud Seeding Symposium in SLC, time TBD
- Sept 6 (Wednesday) next Board Meeting (due to the Labor Day holiday)
- Sept 18 @ 6:00 p.m.– Fall Social for Board Members

## MANAGER'S REPORT

### **PL-566 PROJECT UPDATES**

The proposed Porcupine project will have a meeting with the firm doing the PIFR process on Aug. 17. A public/stakeholder meeting will be scheduled after that. The PIFR should be completed by November.

### **BR Watershed Council**

The council continues to meet. There has been some debate/concern about possibly having some decision-making authority about legislative bills. The Council is not completely formed yet. Meetings are open for the public to attend and Mr. Daugs will keep the Board apprised.

## **FUNDING FOR THE WATER CHECK PROGRAM**

This issue was discussed last month. Ms. Simmonds spoke with the person who does the scheduling who indicated that they have not had anyone signed up from Cache County. Mr. Daugs will follow up with Dr. Kopp to determine if any additional funding is needed for this year. Ms. Simmonds said she would like to see better advertising.

## **UPDATE ON GSL BASIN STUDY**

Working with Director Candice Hasenyager to put together an RFP to hire a firm to do the study over the next few years. There has been a lot of debate over what the goal of the study should be and what needs should be met first. HB429 requires the Division of Water Resources to develop an assessment of the five watersheds that feed the Great Salt Lake — Bear River, Weber River, Jordan River, Utah Lake, and the West Desert. The bill directs another \$5 million to identify the lake's water quantity and quality needs, with the idea of gathering better data. Mr. Ostermiller is part of a water quality planning group that is trying to identify all data that already exists, what the gaps are, and what projects will help bridge those gaps. Mr. Daugs said once the plan is available, it will be sent out. Chairman Pierce said there needs to be more representation from Cache County. Mr. Daugs will send out future meeting dates.

## **CUTLER PUMP STORAGE PROPOSAL**

An Open House was held earlier this summer. PacifiCorp is proposing to put a 3,000-ac ft. reservoir in, either north or south of Cutler Reservoir to help generate power to meet service demands during peak summer months when more power is needed. Mr. Randall said this is common in California.

## **SNOTEL SITES**

Jordan Clayton, NRCS, came up this past week to look at potential sites. A favorable site was found in the Clarkston mountains. It is accessible by 4-wheeler. He will be looking at another potential site in Coldwater Canyon.

## **APO REPORTS – LOCAL OUTREACH & WATER PURCHASING**

No reports

## **RESPONSE LETTER TO PROPOSED NEW WATER RIGHTS POLICY**

See [-Attachment 2-](#)

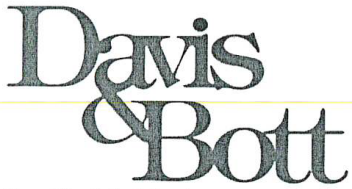
The Board reviewed the letter and discussed some grammatical changes.

**ACTION: Motion by Ms. Simmonds to approve the letter as amended. Mr. Daugs will send the letter to be reviewed by Ms. Simmonds before it is sent. Seconded by Mr. Ostermiller. The motion was approved unanimously (9-0).**

**Yea: Clawson, Hardman, Lindley, Ostermiller, Pierce, Randall, Roper, Simmonds, Wheeler**

## **ADJOURN**

The meeting adjourned at 6:23 p.m.



Certified Public Accountants, L.C.

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Brigham City, UT 84302  
435-723-5224

36 W 100 N  
Tremonton, UT 84337  
435-257-7898

**INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors of Cache Water District  
Logan, Utah

In accordance with *Utah Code 51-2a-201*, we have performed the procedures enumerated below, which were agreed to by the Board of Cache Water District and the Office of the State Auditor related to the Town's Financial Survey, accounting records and compliance with applicable state laws, rules, and requirements for the period January 1 to December 31, 2022.

Cache Water District's management is responsible for its Financial Survey, accounting records, and compliance with applicable state laws, rules, and requirements. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

This agreed-upon procedures engagement was conducted in accordance with the standards applicable to attestation engagements contained in Government Auditing Standards, issued by the Comptroller General of the United States.

The procedures that we performed and our findings are summarized as follows:

PROCEDURES	RESULT
<b>ONLINE FINANCIAL SURVEY</b>	
<b>GENERAL</b>	
1. We obtained a copy of the entity's Financial Survey which was completed by the entity.	We noted no exceptions as a result of these procedures.
2. We agreed amounts reported on the Financial Survey to the entity's general ledger.	There were no changes over the specified amounts.
<b>REVENUES</b>	
3. We compared each revenue account on the Financial Survey to the corresponding prior period amounts. For changes greater than 5% of total revenues and 10% of the individual line item from the prior year, we inquired of management and reviewed applicable supporting documentation to determine whether the entity's explanation for the change was in accordance with the entity's policies and procedures, GAAP, and State and/or Federal policies as applicable.	There were no changes for which the explanation was not in accordance with policies and procedures.
<b>DISBURSEMENTS</b>	
4. We compared each expense account on the Financial Survey to the corresponding prior period amounts. For changes greater than 5% of total expenses and 10% of the individual line item from the prior year, we inquired of management and reviewed applicable supporting documentation to determine whether the entity's explanation for the change was in accordance with the entity's policies and procedures, GAAP, and State and/or federal policies as applicable.	There were no changes for which the explanation was not in accordance with policies and procedures.
<b>ACCOUNTING RECORDS</b>	
<b>GENERAL</b>	
5. We inquired with those charged with governance, the chief administrative officer, and the chief financial officer (as designated in UCA 11-50-202) of any instances of fraud, illegal acts, or noncompliance.	Of those inquired, they reported no known instances of fraud, illegal acts, or noncompliance.
<b>DISBURSEMENTS</b>	
6. We determined whether financial reports are prepared monthly or quarterly as required, and reviewed by the governing body. We selected one financial report and (1) scanned the general ledger and determined that all funds were included in the report, and (2) agreed the lesser of 10% or 15 line items from the report to the general ledger.	We noted no exceptions as a result of these procedures.

PROCEDURES	RESULT
<p>7. We inquired with the chief administrative officer and the chief financial officer whether there are disbursements to related parties. We also scanned disbursement records for disbursements to related parties, and determined who has credit cards or purchasing cards issued by the entity.</p> <p>We selected the lesser of 25 disbursements or 10% of disbursements ensuring that the selection includes disbursements to related parties as well as credit card or purchase card disbursements made by members of the governing body and executive level of management.</p> <p>For each transaction selected, we determined whether the disbursement:</p> <p>a. Was consistent with the entity's purpose.</p> <p>b. Agreed to the receipt or invoice supporting the amount and payee.</p> <p>c. Was authorized consistent with the entity's policies and procedures.</p> <p>d. Was in compliance with the entity's purchasing policy (bids, quotes, etc.).</p> <p>e. Was classified and recorded in accordance with the entity's chart of accounts and policies and procedures, GAAP, and State/Federal policies as applicable.</p>	<p>We noted no exceptions as a result of these procedures.</p> <p>We noted no exceptions as a result of these procedures.</p> <p>We noted no exceptions as a result of these procedures.</p> <p>We noted no exceptions as a result of these procedures.</p> <p>We noted no exceptions as a result of these procedures.</p>
<p>8. For each credit or purchasing card used, we selected one month during the period and determine whether card purchases were reconciled to receipts monthly by someone other than the card holder.</p>	<p>We noted no exceptions as a result of these procedures.</p>
<p>9. Through inquiry with management and scanning receipt records, we determined what restricted revenue was received by the entity and selected the lesser of 10% or 5 disbursements from restricted funds and determined whether the disbursements were in compliance with restrictions placed on the funds.</p>	<p>We noted no exceptions as a result of these procedures.</p>
<p><b>CASH</b></p>	
<p>10. For each depository account, we obtained the year-end bank reconciliation and one additional month's bank reconciliation and performed the following:</p>	
<p>a. Traced the bank balance on the reconciliation to the balance per the bank statement.</p>	<p>We noted no exceptions as a result of these procedures.</p>
<p>b. Traced the reconciled book balance to the general ledger and the amount reported on the Online Financial Survey.</p>	<p>We noted no exceptions as a result of these procedures.</p>
<p>c. Tested the clerical accuracy of the reconciliation.</p>	<p>We noted no exceptions as a result of these procedures.</p>

PROCEDURES	RESULT
d. For reconciling items greater than 5% of annual revenues, inquired of management and review applicable supporting documentation to determine that the items are consistent with the entity's policies and procedures, GAAP, and State/Federal policies. Traced the lesser of 10% or five reconciling items to a subsequent bank statement.	We noted no exceptions as a result of these procedures.
e. Traced the lesser of 10% or five deposit transactions and 10% or five disbursement transactions to the general ledger.	We noted no exceptions as a result of these procedures.
11. For each depository bank reconciliation selected above, through inquiry of management and review of the reconciliation, we determined whether the bank reconciliation is performed by someone who does not have access to receipts or disbursements. If the individual did have access to receipts or disbursements (including direct access to perform withdrawals/transfers in the bank accounts), we determined whether a separate individual reviewed the completed bank reconciliation.	We noted no exceptions as a result of these procedures.
<p><b>MEETINGS</b></p> <p>12. We reviewed the governing board's meeting minutes for the period applicable to the engagement through the date of the engagement. For all financial transactions discussed in the minutes exceeding 5% of total revenues, and a selection of the lesser of 10% or 3 less-significant financial transactions discussed, we traced the transactions to the entity's accounting records and determined whether the transactions were recorded and reported in accordance with the entity's policies and procedures, GAAP, and State and/or Federal policies, as applicable.</p>	We noted no exceptions as a result of these procedures.
13. We selected and obtained the agenda and meeting minutes for two public meetings held during the engagement year and performed the following;	We noted no exceptions as a result of these procedures.
a. We determined that the entity gave proper notice of the meeting at least 24 hours before each meeting by posting the notice on the Utah Public Notice Website.	We noted no exceptions as a result of these procedures.
b. We determined that the agenda was reasonably specific to enable lay persons to understand the topics to be discussed.	We noted no exceptions as a result of these procedures.
c. We determined if the public body took any final actions on a topic in the meeting that was not listed under an agenda item.	We noted no exceptions as a result of these procedures.
d. We determined whether the minutes were posted to the Utah Public Notice Website within three days of the meeting minutes being approved.	We noted no exceptions as a result of these procedures.

PROCEDURES	RESULT
<p>e. If a portion of the meeting was closed to the public, we determined that 1) before the meeting was closed, the reason for holding the closed meeting was documented in the meeting minutes and a roll call vote was taken, 2) the reason for closing the meeting was permitted under statute, and 3) an audio recording of the closed meeting was made or in the case of meetings closed to discuss Section 52-4-205(1)(a)(i)(f) or (2), the person presiding the meeting had executed a sworn statement affirming that the sole purpose for closing the meeting was to discuss those matters.</p>	<p>We noted no exceptions as a result of these procedures.</p>
<p><b>BUDGET</b></p>	
<p>14. We determined if a budget was approved before the start of the budget year and that the budget presented to the public and governing body contained the required financial information.</p>	<p>We noted no exceptions as a result of these procedures.</p>
<p>15. We determined that the entity provided the required 7-day notice for its original and final budget adoption hearing.</p>	<p>We noted no exceptions as a result of these procedures.</p>
<p>16. We examined the entity's records and financial reports and determined whether the total expenditures by department stayed within the amounts appropriated in the final adopted budget.</p>	<p>We noted no exceptions as a result of these procedures.</p>
<p><b>FUND BALANCES</b></p>	
<p>17. <b>Deficit Fund Balances:</b></p> <p>For any fund that has a deficit fund balance in the year under review, we determined whether the entity included in the subsequent budget year an appropriation to retire the deficit of an amount equal to or greater than 5% of the fund's total actual revenue of the year under review.</p>	<p>We noted no exceptions as a result of these procedures.</p>
<p>18. <b>General Fund Balance Limitations:</b></p> <p><b>Municipalities:</b> We determine whether the entity's unrestricted (committed, assigned, and unassigned) general fund balance did not exceed 35% for cities or 100% for towns of the total revenue of the general fund for the engagement year.</p>	<p>We noted no exceptions as a result of these procedures.</p>
<p><b>TRAINING</b></p>	
<p>19. Through inquiry with officials of the entity and observation of meeting agendas, certificates or other relevant evidence, we determined whether the following training had occurred as applicable:</p>	
<p>a. Annual training on the requirements of the Open and Public Meetings Act.</p>	<p><b>Exception was identified – See findings on page 6.</b></p>
<p>b. Annually online training by the town's designated records officer on the requirements of GRAMA</p>	<p>We noted no exceptions as a result of these procedures.</p>
<p>c. Annually each board member has completed State Auditor's training on Special Districts.</p>	<p><b>Exception was identified – See findings on page 7.</b></p>



PROCEDURES	RESULT
<p><b>GRAMA (GOVERNMENT RECORDS ACCESS MANAGEMENT ACT)</b></p> <p>20. If fees are charged for GRAMA requests, verify that the entity has adopted a uniform fee structure</p>	We noted no exceptions as a result of these procedures.
<p><b>FRAUD RISK ASSESSMENT</b></p> <p>21. We reviewed the entity Fraud Risk Assessment and verified that it was signed by the appropriate officers and discussed by the governing body as represented in the minutes.</p>	We noted no exceptions as a result of these procedures.
<p>22. The entity requires and maintains a conflict of interest disclosure for all officials and employees with decision-making or management responsibilities.</p>	<b>Exception was identified – See findings on page 7.</b>
<p>23. If the entity collects Personally Identifiable Information (PII), ensure that it is collected in compliance with Utah Code 63D-2-103</p>	We noted no exceptions as a result of these procedures.
<p><b>TREASURER’S BOND</b></p> <p>24. We determined whether the Treasurer was bonded or insured in accordance with Money Management Council Rule R628-4-4.</p>	<b>Exception was identified – See findings on page 7.</b>
<p><b>Government Fees</b></p> <p>25. We determined that Government Fees collected by the entity were approved, tracked and reasonable according to the prescribed criteria</p>	We noted no exceptions as a result of these procedures.

We were not engaged to and did not conduct an examination or review, the objective of which is the expression of an opinion or conclusion, respectively, on the District’s Financial Survey, accounting records, or compliance with applicable state laws, rules, and requirements. Accordingly, we do not express such opinions. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

In accordance with Government Auditing Standards, we are required to report significant deficiencies, material weaknesses, instances of fraud, noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse that come to our attention during our agreed-upon procedures that warrant the attention of those charged with governance. Our agreed-upon procedures disclosed the following matters that warrant the attention of the Town’s officials.

**Findings and Responses**

**Finding Item 19a** – We could not determine that all board members have received the required open and public meetings training

*Response – The District will ensure that all board members are trained each year..*

**Finding Item 19c** – Board members have not completed the required training from the State Auditor on Special Districts.

**Response** -- *The District will ensure that all board members are trained each year..*

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**Finding Item 22-** The District does not have a conflict of interest policy

**Response** *The District will establish a conflict of interest policy.*

**Finding Item 24-** The treasurer is not bonded per the State Auditor guidelines.

**Response** *The District will get a bond for the treasurer.*

The purpose of this report is solely to describe the scope of our testing of the Town's Financial Survey, accounting records, and compliance with applicable state laws, rules, and requirements and the results of that testing, and not to provide an opinion or conclusion on the Financial Survey, the accounting records, or compliance with applicable state laws, rules, and requirements. Accordingly, this communication is not suitable for any other purpose.

*Davis & Bott*

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Davis & Bott  
Certified Public Accountants, L.C.

Brigham City, UT  
June 21, 2023

## -Attachment 2-



Teresa Wilhelmsen

Utah Division of Water Rights

Cache County Area 25 policy

1594 W North Temple Suite 220

P.O. Box 146300

Salt Lake City UT 84114-6300

Ms. Wilhelmsen

Cache Water District is submitting this response to the proposed changes to the water rights appropriations in area 25 of the Bear River Basin. We appreciate you taking the time to discuss this issue with us and look forward to continuing the discussion toward a resolution that respects both the state's position and Area 25's concerns. The mission of Cache Water District (hereafter District) is to plan for and facilitate the long-term conservation, development, protection, distribution, management and stabilization of water rights and water supplies for domestic, irrigation, power, manufacturing, municipal, recreation and other beneficial uses, including the natural stream environment, in a cost-effective way to meet the needs of the residents and growing population of Cache County. Understanding ground-water availability and allocation is critical to this mission.

Given the data and breakdown of both surface and groundwater water right allocations presented at the last CWD meeting, there is concern on our part regarding the true potential for overallocation of water in Cache Valley. The analysis presented and the subsequent discussion about the core numbers raised questions centering on how these numbers were produced and what exactly they represent. For instance, the District questions regarding the total amount of water diverted from surface systems, the total amount of groundwater pumped and the actual current and anticipated consumptive use of groundwater. If together we can break down these numbers and obtain clear explanations of what they represent, it would help everyone understand the current state of actual water use and the potential for use in the future.

With respect to understanding groundwater availability versus current and future demand, some new information regarding the current state of groundwater throughout Cache Valley and

additional information regarding recharge rates, primary recharge locations, and connections to annual snowpack will be critical for everyone to make informed decisions. The prior recharge study used in the current calculations was completed over 30 years ago and updating the data to incorporate more recent advances in the understanding of mountain-valley groundwater connectivity will improve our ability to define and manage these resources for more accurate future based planning.

We would request maintaining the Governor's current policy while allocations and supplies are revisited. We will have time to get more accurate data and information and these allocations are too important to make decisions on old and unverified records. There are concerns that the large number of water rights applications outstanding without perfection are biasing totals to appear larger than the actual appropriations in the county. For example, there are some applications for reservoirs that will never be built. Based on our understanding, allowing the small domestic applications to continue while further investigating groundwater recharge and the subsequent discharge will not significantly impact groundwater supply given that there have only been 700 applications in the last 23 years for single domestic use and many of those used a change application for an existing water right.

The 1999 groundwater study showed 25,000 ac/ft of groundwater available for allocation. With only 6500 ac/ft of applications, the residents of Cache County may be losing 18,500 ac/ft of available groundwater potential. The District feels that it is in the best interest of our residents to maintain the current policy until better information has been obtained and studied. The District feels strongly that 20 years of drought and changes in development throughout the valley may have changed the groundwater recharge rate and it is clear that new and updated research and technology can provide a significantly more accurate resource accounting which can better inform large scale decisions, such as the one being proposed.

The District looks forward to ongoing collaboration with Utah's Division of Water Rights to determine how to update Cache groundwater data and information. Once we have better information, we can revisit, if appropriate, important policy determinations.

Max Pierce

Chair Cache Water District