



BOARD MEETING MINUTES
January 15, 2015

BOARD MEMBERS IN ATTENDANCE: Board Chair Brent Hunter; Board Members: John Black; Paul Cozzens; Rick Bonzo; and Keith Williams. Tim Watson and Spencer Jones are excused from this meeting.

STAFF PRESENT: District Manager Paul Monroe; Office Manager Mandi Williams

OTHERS PRESENT: Kelly Crane, Curtis Nielson (Ensign Engineering); Dave Miller, (County Commissioner); Roice Nielson (Citizen).

CALL TO ORDER: Board Chair Hunter called the meeting to order at 6:33 PM. Board Member Bonzo led the Pledge of Allegiance. Kelly Crane gave the prayer. (03:46)

DECLARATION OF ABSTENTIONS AND/OR CONFLICTS OF INTEREST BY BOARD MEMBERS: No abstentions by Board Members

CONSIDER APPROVAL OF MINUTES FROM THE BOARD MEETING HELD DECEMBER 18, 2014: Board Member Black moved to approve the minutes; second by Board Member Bonzo; vote unanimous at 6:36 PM (04:50)

FINANCIAL REPORT:

1. Consider approval of adjustments and payment of bills from December 16, 2014 through January 12, 2015:

▪Monroe-There is a payment made for our fencing that will be going around a couple of the well houses. Rocky Mountain Power charges have decreased in cost from last year by over \$3,000.00. Tracy Feltner has been in close contact with the power company about the charges per schedule and costs. John and Tracy have been working very hard to keep everything in great repair around the water district. ▪Black-I see that there is still a pumping charge for the mine, are they still using water? ▪Monroe-Yes in the meeting last month we discussed that there is another customer that has a water connection on that line that we need to keep supplied with water. We are really hopeful that the mine will reopen soon. On page six of the payments you will notice that we made a payment in full for one of the notes for Cedar Highlands. With last year being a good financial year, we decided to get the \$25,000.00 note out of the way rather than wait until 2015. Board Member Cozzens moved to approve; Second by Board Member Williams; vote unanimous at 6:46 PM (15:00)

2. Review 2014 Financial Report: ▪Monroe-I would just like to highlight a few things that we were able to accomplish in 2014. You can see by the balance in our checking account that we have yet to payout the large loan payments for 2014. Those will be sent out in the next few days. Water Revenue and Connection Fees are 128% of what we had budgeted. The total income from operations, you can see that we were well under in our operation expenses. The total of our non-operating income, which includes our tax revenue and impact fees, is greater than what we had



budgeted. We were able to sell our very large, chlorination system to Enterprise City and replaced it with one that is about 1/8 the size. There are still some invoices that will come out of the budget for 2014, that we haven't received yet, we should still come out of the 2014 year right with \$550,000.00 in the black. (18:00)

Monroe asked the board if they would like to proceed this year with the audit of Kimball and Roberts or put it out to RFP. The board agreed to stay another year with Kimball and Roberts and put it out to RFP next year.

Review 2015 Financial Report: ▪Monroe- Nothing out of the ordinary this early in the year. (18:36)

CONSIDER APPROVAL OF AN AGREEMENT BETWEEN LINFORD NELSON AND CICWCD FOR SPRINGS AND WELLS AT CEDAR HIGHLANDS: ▪Monroe-I was able to meet with both Justin and Spencer about this agreement. I wish Spencer were here to help present the details to you. I gave the agreement to Linford, he was going to go through it and if he had any questions or conflicts he was going to call me back. At this point I haven't heard from him. Spencer, Justin and I all feel good about the agreement we've spent a lot of time on it.

▪Wayment- If you are going to discuss this further, you need to go into closed session because you are in the middle of negotiations. This contract is good and looks workable. We are waiting to make sure that Linford approves this draft of the contract. Linford was only given the agreement today. This item will be tabled until next month, pending the approval of Linford. (23:23)

WATER CONSERVATION: UPDATE ▪Monroe-Candace is waiting on some data to give us an update on our water systems. Just an update the public outreach programs that we are doing. We are getting ready for our second 4th grade Water Fair and our first Community Water Fair. We have just hired an intern from SUU who will be helping us put all of that together. ▪Bonzo-Can we get some dates on that pretty quick? I would really like to attend that. ▪Monroe-I know that it will be around the middle of March, I don't have dates yet. I will get them to you as soon as I can. Also, we have already met with the school district and we are putting together a video contest, and also we will be putting together a calendar by way of a photo contest on Instagram. (28:58)

Commissioner Miller arrived at the meeting 6:58PM (28:01)

REGIONAL AQUIFER BALANCE PROJECT & WECCO: ▪Crane- Paul and I have been able to meet with Rob Dotson, Enoch City manager. W showed him the map and he is going to discuss it with his water board. We also met with Cedar City today and reiterated this project. I would really like to see if John Black or Paul Cozzens might be able to meet with us the next time we meet at Cedar City. ▪Cozzens-yes I think we are both interested in attending. ▪Black-Are you getting some push back from Cedar City? Can I just get an idea of what is going on there? ▪Monroe-No not really push back, just different concerns and ideas. Ideas on how we might be able to utilize the water. One, Kit thought maybe rather than moving 3000 ac/ft from the North to the South, what if we moved farmland from the South to the North and



just had them farm that area there. He thought that maybe we could offer some incentive there. I just told him that I know there is a lot of greasewood out there which may be a good inclination that there is a lot of alkaline in the soil out there. I didn't know all of the specifics with that soil and I told Kit that would be a great conversation to have with Brent. ▪Cozzens- You tried to farm that out there Brent? ▪Hunter-7:04 PM (32:50) I farmed out there at Rush Lake which is right out there at the bottom. The water is good, but the soil isn't good, and the weather, talk about farming in the coldest area in Cedar. It is usually 8 to 10 degrees colder at the North end then right in Cedar City. Maybe a little further up in the area west of the Sewer Plant. That soil out there is just really salty, alkaline soil, ▪Crane-What we've taken away from these meetings is that we really need to put together a presentation that would put a picture to what actual costs would be and what we are planning. ▪Hunter-Clarks own that property so maybe it would be worth looking into. (34:55) I know on this side of the sewer plant is a really bad place to try and put a well, the ground out there is really sandy and has too much silt. Clark's tried to drill a 300 to 400 foot well a quarter of a mile or so south of the Sewer plant a few years ago and they sunk \$150,000.00 into the hole and lost it all. Once they started trying to pump the water it pumps the silt out with the water, which creates a cavity, they literally lost the entire thing. I also have always found Kit to be a very thoughtful individual, he comes up with things that no one else thinks about, and I respect his judgment. ▪Monroe-We will evaluate those things and put some harder numbers towards it. (37:42) Brent, you had the idea to of putting a reservoir down there somewhere and using the reservoir as storage. ▪Hunter-I had the idea to pump the water up to Braffits Creek and store the water up there in the winter, then use that water and the elevation to irrigate a lot of areas. ▪Bonzo-What if the mine started again? I know it would be expensive to run the line straight across that valley but would it be worth it? ▪Monroe-I agree that that would be expensive and I still think that we have a better idea in having them put forth the capital of putting wells out in that water right area. If they would be willing to put that capital forward for the wells they would need, and also a tank. That would probably be a better use of capital. ▪Hunter-Kelly what is the elevation from the Burgess property out there to our tank? ▪Crane-I would have to look and make sure but it is low around 5400 feet. ▪Hunter-but still Cedar City is pumping 110 feet up to the top of their tanks. So if we were to get the water even to our tank then it would still have to be pumped up to the top of Cedar City's tank. 7:11 PM (40:27) ▪Bonzo- maybe we should look into running a line from the sewer treatment out to the Clarks' where there are big pivots near the Enoch Graben. That really isn't that far, maybe a couple of miles. (41:07)

WAH WAH AND PINE VALLEY: CLOSED SESSION FOR LITIGATION: ▪Monroe- A couple of things that I would like to share here in the open meeting, we are moving forward with our EIS process we have a meeting scheduled in two weeks with the USDA and the BLM to see if the USDA could become the lead agency on the EIS project. Kelly and I attended a hearing Monday in Beaver (42:01), and we are hopeful for the judge to rule in our favor. ▪Miller- So I contacted Paul earlier this week and I appreciate you guys getting that corridor map done, I don't know who all was involved but thank you. So what we are doing,



we've called a meeting with all of the federal agencies; the BLM, Forest Service, and US Fish & Wildlife, and under FACA, FLPMA, NEPA, and pretty much all of their requirements for coordination. We are calling them in to really make sure that they are on the same page with all the things that we have coming up. The BLM is doing a new Resource Management Plan, we hope to be taking a County and District Wide approach to basically all of the plans that they want to have in place. Once this plan is in place it is a 25 year plan. So we want to make sure that we get it right, right now. The BLM is getting to the tail end and we want to make sure that we have the corridors for the west desert included. So they will be in our meeting on Monday the 26th and we be coordinating and will be implementing that into our County General Plan. That is being put together by our County Planner, we will have our preferred alternative submitted and I think even a backup alternatives identified as part of the RMP. Once that is in then there can be no legal standing for a future lawsuit being brought against the district should there be any animal or plant species that may become contested, it will be approved and already through that process. Then as you guys proceed with the USDA being the lead agency on that I think it will all correspond perfectly. ■Monroe-They should be aware that we gave that map to them back in July. Kelly correct me if I'm wrong, but it has submitted to them and we've had meetings with them but we haven't heard much back. So we'd appreciate it if you would follow up. ■Miller-If we don't put it in the General Plan and acquire it through the coordinating requirements, that they are not going to give it the same kind of weight and so we want to make sure that this is put at a high level. I will talk more to you, we just really want to get this etched in stone. As far as making this part of their plan. ■Hunter-Are you going to include in that the potential line from Hamlin Valley in. ■Miller-Yes, we are going to include all of the corridors. We want to be sure that Pine, Wah Wah, and Hamlin are all included. This is the time for us to get it in. If we don't get it in now and we try to amend the plan later it opens it up to any kind of contest from any of the environmental groups. The coordinating process with the US Fish & Wildlife, when we deal with them, it only has to do with species. They won't be a part of the land side, that will be the BLM and I don't believe there is any Forest Service land that we are touching anyway. Really BLM is the main one that will be brought into this. At this point Sage Grouse is not listed but it's another reason why we want to get this in now because that could potentially come back and we want to identify any Leks (game birds) that may be in that corridor. Mike Worthen our Natural Resource Specialist is checking this to make sure that if there are any Leks (game birds) in that alignment as we are putting the RMP together, we can have it addressed. (48:28)

AQUIFER RECHARGE: ■Monroe-We visited with Cedar City today and talked to them about using some of their property at the Upper Recharge Basin. They were supportive of that and thought it would be a good idea to go ahead and start moving forward. They are worried about their gravel up there and whether or not we are going to take their gravel. So obviously there are still going to be a lot of things to work through, and hopefully we can work through all of their concerns. ■Hunter-Our plan was to have a bigger pond up there just below Milts that would only be used on heavy flow years, and have a smaller set up there below Rusty's. I thought we would use both of them, the upper when the creek was really roaring at a high level, and the lower when there was less flow. I know that is a concern for them to haul gravel



from up there. Now the county should be glad to have it closer up the mountain. 7:22 PM
(51:25). ▪Monroe-Now we just have to continue to work on the land use stuff (51:59)

SUBSIDENCE MONITORING: ▪Monroe-We purchased the monuments, I've been talking with Doug Grimshaw. He actually installed his own monument out by his house, he lives close to the Graben area, and he's getting ready to do his first readings there. I purchased 50 monuments for about \$100.00. I'm excited to move forward.

GENERAL MANAGERS REPORT: ▪Monroe- They are finishing up our water story series in our local paper. Those should be coming out in the next few weeks. Also, Jack Barnett has been in touch with the people in Phoenix and is looking at Thursday Feb. 26th through Saturday the 28th, to take the board down to tour the importation of Colorado river water for recharge. (55:00) Jack has been putting in a lot of time coordinating this for us with the Central Arizona Water Project. If you would all let me know if you think this is something we could try and do. I would like to get a count. Our next meeting date is February 19, 2015 (57:45)

BOARD MEMBERS REPORT: No reports

CLOSED SESSION FOR IMMINENT LITIGATION:

Board Member Cozzens moved to adjourn from regular session and go into executive session. Second by Board Member Black; vote was unanimous at 7:30 PM (58:45)

ROLL CALL FOR CLOSED SESSION:

Paul C.-Aye

Keith-Aye

John-Aye

Rick-Aye

Brent-Aye

Board Member Bonzo moved to adjourn closed session and rejoin regular session. Second by Board Member Cozzens; vote unanimous at 8:19 PM

ADJOURN:

Regular meeting called back to order at 8:19 PM

Board Member Williams moved to adjourn. Second Board Member Bonzo; vote was unanimous at 8:19 PM.