



BOARD MEETING MINUTES
July 16, 2015

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

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

OTHERS PRESENT: Kelly Crane, (Ensign Engineering); Roice Nielson (Citizen)

CALL TO ORDER: Board Chair Hunter called the meeting to order at 6:32 PM (7:27)

DECLARATION OF ABSTENTIONS AND/OR CONFLICTS OF INTEREST BY BOARD MEMBERS: No abstentions by Board Members (9:40)

CONSIDER APPROVAL OF MINUTES FROM THE MINUTES FROM THE BOARD MEETING HELD JUNE 18th, 2015: •Without a quorum in attendance at tonight's meeting this item with wait for approval until our next meeting. 6:35 PM (10:25)

FINANCIAL REPORT: CONSIDER APPROVAL OF ADJUSTMENTS AND PAYMENT OF BILLS FROM June 16, 2015 THROUGH July 13, 2015. •Monroe-(11:11) We have highlighted those charges associated with the Water Festival held June 20th, 2015. We paid one of our yearly loan payments to State Bank of Southern Utah. 6:39 PM (13:10)
The monthly credits and debits are located on the Transaction Register. In the past there have been a few contractors that have opposed our construction use deposit for fire hydrants. So far this year we have cashed in to replace three hydrant meters. We now have relics in the office to show why we charge that deposit. (14:30) You will also see Progressive Contracting, Inc. they had paid their deposit of \$2,000.00 and it was refunded in full to them. This is the contractor that is working on the Iron County Belt Route project that we talked about last month. The County will be paying for the power costs associated with the water usage by that customer. (15:29)
Board Member Bonzo motioned to approve the adjustments and payment of bills from June 16 through July 13, 2015; Second by Board Member Cozzens. Motion unanimous at (16:20)
6:41PM

REVIEW 2015 FINANCIAL REPORT: •Monroe-We are 58% through the year. (16:25) I've highlighted areas on the expense side, last month Board Member Black had some questions on some of the lines that were higher, so I've included a list of expenditures for those General Ledger lines that are high for this point of the year. You can reference those expenditures on the next three pages. A majority of the cost were accrued through planned projects that were specifically budgeted for in those General Ledger lines. For instance we put in a new pump in Cedar Highlands, which went into water system repairs line. We have also had costs that weren't planned for. The new electronics in Derby #1 as well as a new pump in Derby #1. We have had to install two new RTU's on our SCADA units. One at Derby #1 and



Booster #3. We have already had to repair Derby #1 and now District #1 has gone down. I will highlight those things in my General Manager report. Just a reminder, we budgeted our GL Items low, and then placed a lot of money into our Water Contingency line. We strive to keep our cost low, but in these unexpected events we have the Water Contingency to draw from. (19:40)•Hunter-There is \$100,000 in the contingency fund and so far you've spent \$1,300 out of that line so far this year. Monroe-Yes, we haven't paid out on the Derby #1 invoices yet, so you will see that next month. One last item I wanted to highlight is the Water Conservancy GL Line. This line is actually in the negative. With our sponsors for the Water Festival namely Southwest Plumbing, we were able to not only cover the cost of the Festival but also cover the expense for the 4th Grade Water Fair back in March. This is going to allow for the projects that Doug Hall wanted to pursue. Discussion and expression of appreciation on the Water Festival continued from (21:10-23:10). 6:48 PM

CONSIDER APPROVAL OF CUSTOMER REQUESTS: •Monroe-6:48 PM Dicksie Duke has a house that she says is inhabitable. She had a very large leak in January of this year, and as of two months ago half of the roof blew off. According to our policy we can give a leak relief credit if the customer can show receipt or proof of repair. The leak relief credit is a one-time credit that calculates all of the gallons used to be billed at the lowest tiered rate.

Ms. Duke is aware of the credit, but doesn't want to fix the leak. She says she just wants to demolish the house and hopes that the Board would still consider giving her the relief credit.

•Cozzens-I think we need to follow our policy. It is such a slippery slope when you start making considerations here and there. It is always safer to follow the policy whenever you can. •Jones-I agree with what Paul is saying. I think in this instance here where she is demolishing the house, maybe the repair could be qualified as something like capping off the water line at the meter.

That way we would be adhering to the policy. •Monroe-The customer is aware that she will be paying the \$30.00 indefinitely, which is another reason why she is asking for a credit.

•Wayment-You could really just lock off the meter with a note that there is no reconnection until repair is made. Monroe-In summary. We won't charge a disconnection fee, we will be providing the leak relief credit leaving a total of \$27.27. We will send a letter to her stating that if the home is re-inhabited she will be required to show proof that the leak has been fixed, or pay the remainder of the amount at the higher rate. 6:57 PM (32:00)

The second request is from Kolby Pulsipher. *Paul read the agricultural policy and also read the letter that Kolby Pulsipher submitted for the Board's consideration.* (33:45) •Monroe-Mandi and

I will just follow policy on these items unless there are circumstances like this, then we will bring them to the Board to consider. •Cozzens-So in order to follow policy, we would need to wait until 2016 then he can apply again for the Ag Rate once his property is zoned greenbelt?

•Monroe-Kolby is asking us to grant the rate change before, because he says that Cindi Bulloch has told him it would be rezoned next year. •Jones-On the greenbelt, the statutory requirement is that the property has to be used for its primary purpose for agriculture for two years prior to the application. So he would have to prove that primary purpose for the last two years through affidavits or signed lease agreements in order to qualify for change in 2016. If he can't prove those requirements to the Board, then I think we need to wait until 2016 to change his rate.

•Monroe-We have gone over the numbers, and we really need to figure out how much he is planning to irrigate because we are going to have to know how much additional water right he is going to have to transfer. He is using a lot of water right now, it may be that he is planting more



and watering more right now, and that is why he is wanting the consideration right away. •Jones- I think we need to have Cindi Bulloch certify in writing that as of Aug. 1, 2015 the property does qualify for greenbelt in 2016. •Wayment-Please clarify for me that our policy is that to qualify for the Ag Rate a property has to be in greenbelt? •Monroe-Yes, it also gives the Board the ability to make considerations. •Wayment-Is that in our ordinance? •Monroe-Yes, and our resolution. •Wayment-Okay, then I think that the customer needs to get the letter from Cindi and if for some reason the property come January 1, 2016 does not qualify for greenbelt, then he will need to back pay the water used at the regular water rates. *Discussion on greenbelt qualifications continues for several minutes.* •Jones-The last things we need to consider as far as water rights are the conversion rates for stock watering are one thing but if he is talking about grass, garden, and pasture then that is going to be substantial. •Monroe-We've already told the customer about the requirement for additional water rights. I think the water rights have to be transferred beforehand, there have been instances where we haven't been successful in getting the water rights after the fact. •Hunter-I think you have enough information to send a letter out to Mr. Pulsipher, please do that. 7:12 PM (47:00)

AQUIFER RECHARGE: CONSIDER APPROVAL OF INTER-LOCAL AGREEMENT BETWEEN CICWCD & CEDAR CITY: 7:15 PM (50:01)

•Monroe-We first handed this agreement out back in April of this year. I know that you may need some time to review the agreement. •Hunter-This agreement is to give us the right to use the property up the canyon right? •Monroe-Yes. •Jones-I am fine with the agreement as its written now, but is there a reason that we couldn't ask if there would be an opportunity for us to acquire the property? With this being a long term project, it would be beneficial for us to have rights to that underlying land. Can we ask them that? Or has there been discussion on whether or not we could just acquire the property. •Monroe-No there hasn't been any discussion on that. 7:17 PM •Wayment-Do we know how the City acquired the land? One of the things you need to look at, it is a good idea to look into that, because there can be restrictions on properties that are given as donation. It may be that they can't even sale it. Monroe-I think we should move forward with approving the agreement to be sent to Cedar City, with the stipulation that we just ask about the possibility of acquiring the property. (54:01)•Cozzens-How many acres are we talking about? •Monroe-The area that we are looking at and would want to purchase is only about 10 acres.

Board Member Jones motioned to submit this draft agreement to be sent on to the Cedar City Council for their review and comments, prior to submission have a discussion on whether or not the District could possibly acquire the property. Board Member Bonzo seconded the motion. Motion Unanimous at 7:21 PM (55:54)

•Monroe-I received an email from 1st Lieutenant Corey Lewis on the position of the National Guard. It appears that the project will not be able to be funded through the State, they are going to try for Federal funding but it will delay the project until 2017or 2018. Discussion (57:05) on possible funding sources continues for several minutes from 7:23 PM until 7:28 PM (1:03:57)

WATER CONSERVATION: •Monroe-We've already covered the Water Festival. We have money allocated so we can move forward with some ideas that will hopefully help businesses conserve water. With Doug's absence we can move on. 7:30PM



WAH WAH AND PINE VALLEY: •Monroe-Moving forward we are finishing up the application process and in the next few months we are going to be working on maps and timelines. These things will be done working closely with the BLM and their environmental archeologists and biologists. 7:32 PM (1:06:12)

AQUIFER BALANCE PROJECTS: •Monroe-Last month the Board gave approval to move forward with putting together an application template to have public input on the different possibilities of water recharge and balancing projects. I have asked Phil Gardner with USGS and Kerry Carpenter, who is retiring Aug. 1, 2015 from the Division of Water Rights to be part of the panel that Spencer was asking about. Both men agreed to serve, and that they would be happy to lend the knowledge that they have to us. I do have a couple others in mind that I think would be very valuable to the panel. Jack Barnett has said that he would help, and I thought we may want to have a local well driller on the panel also. •Jones-(1:09:10) I want to pass along a worry or concern that I have and that I've discussed with Tim Watson about. As far as getting this template out to the people so that they can submit ideas, that is a great idea. However, there is worry that with a panel we may be delegating things that the board should be working on. I think that keeping this streamlined is going to be the best way to move forward expediently. Hunter-(1:11:11)My thoughts are that having these projects put through a panel with experts like these men is going to be much more beneficial to our end goal. They are very credible people who would be giving us sound opinions on the ideas. Jones-I just feel like once you open it up, it only delays the process because it is going in multiple directions, rather than having the Board look at the items and work with our District Engineer to get the cost per acre foot. (1:13:30) •Crane-I think we are really talking about the same thing. We wanted to get this panel together specifically for their expertise. With the people that we've spoken to for the possible panel we really could rely on them because they could handle things right on the frontend and to insulate the Board to only be taking time on those projects that are the most feasible. (1:14:38) Discussion of possible panel continues for several minutes from 7:40 PM until 7:56 PM •Monroe-I feel that there is a problem with analyzing it in house. In the meeting last month we decided that the best way is to prioritize all the projects the District and the public have and put a dollar sign with them. With the public input we are hoping to receive ideas that we haven't thought of. This will also put a value comparative on the West Desert. We will be able to see whether or not we are making the right choice. We will be able to show the public that we've done our due diligence. We have evaluated everything in this basin, and economically what project makes the most sense. I want the decision to be made by people who are experts outside of our District to show that there wasn't any bias when putting together these figures. •Hunter-We need the public to understand what we are doing, and that we are trying to move forward with the project that is going to be most financially feasible before we start spending their money. (1:20:29) •Cozzens-I also spoke with Tim and I know that he was opposed to paying money for the economist. I think a good compromise may be to have each individual panel member look at the projects on their own. Then correspond through email or one-on-one meetings, and with their thoughts, opinions, and notes we can come together as the Board and make a decision. (1:21:30) *Further discussion and questions until (1:31:30)* Roice Neilson commented at 7:57 until 8:01 discussion on his comments last until 8:03 PM (1:37:56)



SUBSIDENCE MONITORING: •Monroe-Nothing new to report

GENERAL MANAGERS REPORT: •Monroe-I think we have covered our public affairs and outreach. I would like to move on to our operations. I want to discuss our wells. I've talked already about some issues we are having with our wells. *Kelly passed out a map to show the 5 year draw down in Cedar Valley this map will be included in the permanent record of this meeting.* (1:41:20)

A couple of things I would like you to consider. (1:41:28) We have 20 acres out in District #1 where we could try and punch another well. The problem with District #1 is that it has been pretty poor water. You can see on this map that water continues to decline there. Another idea would be to drill down in Derby #2, Bert thought we might want to rehab that well. Bert thought we could possibly get 500 GPM. •Hunter-The well is already 900 FT deep. This might be an inexpensive solution. Or we could possibly re-plumb the Derby #1 so that it goes straight into the lower zone and Derby #2 could go straight to the tank. (1:46:28) Discussion on history of Derby #2 last for several minutes. •Monroe-Another thing I would like to report. John and Tracy have been working hard on repainting our tanks. They have had a little help from some boys working on their Eagle Scout projects. (1:53:10)

Lastly, I have a conflict with the meeting date in August. If we want we could meet a week earlier, or hold another early morning work meeting. •Bonzo-Is there anything pressing, can we go a month without a meeting? •Hunter-Paul you look through our items and keep watch, if there is nothing pressing, let's plan to meet in September. (1:56:15) 8:21 PM

BOARD MEMBERS REPORT: None 8:21 PM

Board Member Bonzo motioned to adjourn regular meeting to closed session. Board Member Cozzens seconded

Roll Call:

Cozzens-Aye

Jones-Aye

Bonzo-Aye

Hunter Aye

Reconvened from closed session at 8:56 PM

Motion by Bonzo 2nd by Jones

ADJOURN:

Board Member Bonzo moved to adjourn. Second Board Member Jones; vote was unanimous at 8:57 PM.