

Central Iron County Water Conservancy District
Public Hearing & Board Meeting Minutes
November 16, 2017



Board Members

Brent Hunter – Chairman
Paul Cozzens
Tim Watson
Tyler Allred
Spencer Jones

District Staff

Paul Monroe – General Manager
Mandi Williams-Office Manager
John Juergens - Operator
Tracy Feltner-Operator
Shelby Ericksen– Public Outreach
Kelly Crane-District Engineer
Curtis Nielson– District Engineer
Justin Wayment-District Legal Counsel

Others in Attendance:

Dillworth Armstrong
Cory Dow
Doug Hall
Danny Stewart

CALL TO ORDER: Board Chairman Hunter called the meeting to order. 6:33 PM
Tim Watson led the pledge, Brent Hunter offered the invocation. (6:00)

DECLARATION OF ABSTENTIONS AND/OR CONFLICTS OF INTEREST BY BOARD MEMBERS: None (6:20)

CONSIDER APPROVAL OF MINUTES FROM THE BOARD MEETINGS HELD SEPTEMBER 21, 2017: ▪ Paul Cozzens moved to approve the minutes from the meeting held September 21, 2017. Second by Allred. Motion unanimous 6:39 pm (6:35)

CONSIDER APPROVAL OF PAYMENT OF BILLS AND ADJUSTMENTS FROM SEPTEMBER 15, 2017-NOVEMBER 10, 2017:

▪Williams-The generator is for the weir gate. District #2 had the final wiring costs for the electric. Cart-a-Crete was for the cement pad at the recharge project. CMSI's payment is their final payment for the recharge project. (8:00) The hole in the Cedar Highlands was repairs. An ice sheet broke off the beginning of 2017. Williams noted that the register is larger and higher in cost due to not having a meeting last month. (8:55) Williams said she is meeting with the Iron County Treasurer the beginning of the year so the District is not taxed on the property purchased from Jones family. (9:40) Williams and Monroe met with Curtis Tonks with the Utah Local Governments Trust about a bond for the treasurer. Membership dues increased for UASD. (11:05) Cozzens asked about billing for Ensign for the West Desert. Crane said that was survey work and right of ways for the West Desert. Williams said Monroe spoke with Crane and he was able to credit some of the drive time back. (12:15) Jones asked about the vendor Energy Management. Feltner said they work on a variable frequency drive that Bert was unable to work on because it was out of his specialty. (13:20) Watson asked about liens on the credit and debit register. Williams said once a lien is certified with the taxes, it cannot be sent out with monthly

bills. Customers will have their standard account, but the liens are separated and handled by the County. (15:50)

Board Watson moved to approve the payment of bills and the adjustments register from September 15, 2017 through November 10, 2017. Second by Cozzens.

Motion Unanimous at 6:44pm (16:15)

REVIEW 2017 BUDGET- Monroe- Turned to the graphs associated with the budget. Connections have increased over the years. Impact fees have also increased. Highlighted is the Construction in Progress. District #2 well, West Desert work, and water rights will roll into an asset. It is currently valued at the amount we have spent acquiring those water rights. (18:40) The District's has spent around \$2M on these water rights. (20:30) \$1.5M to be received from taxes. The Coal Creek Recharge Project still has about \$40,000 remaining in that line. The District is at \$265,000 in the positive as of now. (22:00)

REVIEW 2018 PRELIMINARY BUDGET: Monroe-There is about a \$200,000 difference between 2017 and 2018's budgets because of grants. Monroe said \$100,000 was received in 2017 for the recharge project. That \$100,000 was used in 2017, part of the payment has been received, but the District is waiting for the rest. The reimbursement may come in 2017 or 2018. (25:00). Everything listed has a 2% increase except the highlighted items. We are budgeting 48 new connections for 2018. There is a \$2 increase in the budget for Shelby. The water sampling expenses are going to increase. (26:45) The State grants has changed. The District will see if the State can give some grants for planning. On the capital side of the budget is the Coal Creek Recharge Project, the West Desert project, and SCADA system upgrades. Watson asked about the a new SCADA system and if the District will be purchasing a new one. Monroe met with the Water Operators about the SCADA system and an updated system would help save time. Watson thanked John and Tracy for everything that they do. He has noticed that they don't travel together and are very efficient. (30:50) Monroe said four more tanks need ladders to make them OSHA compliant. A fence will also be added. Some of the District's meters are getting old and will need to be replaced. Those are budgeted for. Monroe has \$60,000 budgeted for new trucks. Watson asked how many miles are put on the trucks each year. Williams and Feltner estimated about 20,000 miles a year. Watson asked how long the trucks will be kept for. Monroe said Stratton suggested keeping trucks for about three years. (34:00) Monroe said the Public Hearing will be on the budget and will be up for approval in December. (37:45) **Jones motioned to open the Public Hearing. Second by Allred. Motion Unanimous at 7:05pm.**

PUBLIC HEARING ON 2018 BUDGET: Hunter asked if the public had any questions about the budget. Hall said the budget is very similar to last year. Hunter closed the Public Hearing. (38:35)

GENERAL MANAGER'S REPORT: Monroe- Said the District is holding a 20 Year Anniversary party on November 29th from 12-2pm at the Hunter Conference Center. Monroe went over District Goals. CICWCD will need to acquire leases with landowners and look at a basin wide impact fee. (41:30) Watson asked about the cement pad at the Quichapa Recharge Project. Monroe said a Conex Box was constructed over the generator to keep it safe. Biological and cultural surveying will probably occur in 2019. Hunter asked when the District

will need to show the money for this project. Monroe said now is the time to start putting money away for the West Desert project. (44:45)

PUBLIC COMMENT: •None (45:00)

CONSIDER APPROVAL OF CENTRAL IRON COUNTY WATER CONSERVANCY DISTRICT BEST PRACTICES FOR INTERNAL CONTROL POLICY: The Best Practices was reviewed two months ago. It is something the State Auditor suggests. This gives guidance to the District's practices for both employees and Board Members. (46:50) Jones motioned changing some wording from "Chief Executive Committee" to "District Executive Committee" and "Chief Executive Officer" to "District General Manager". Second by Watson. Motion Unanimous at 7:17pm. (49:00)

CONSIDER INTERLOCAL AGREEMENTS FROM THE CEDAR CITY REDEVELOPMENT AGENCY:

Danny Stewart with Cedar City Corporation reported on the following projects:

A. Appaloosa Solar I Project

- Seeking approval for a new interlocal agreement for a new solar power project.
- *Discussion and possible action on Resolution 2017-11-16-02 approving an interlocal agreement with the Iron County Community Development and Renewal Agency for the Appaloosa Solar I Community Reinvestment Project Area*

This project is about twice as large as the largest solar project in the County. The process of the creation of a CRA, a Community Reinvestment Area. The project area has been approved by Iron County. Watson asked where Appaloosa would good. Stewart said it is North West of the Three Peaks Solar Project. (53:40) The area of the project may be amended. This is a 200 megawatt project. The project area includes property that could house storage. Hunter asked about the status of the first project. Stewart said there should have been income from the Utah Redhills project in 2017. There are large tax incentives for these projects. (57:35) Discussion about the area, tax incentives, and zoning continue for a few minutes. The Water Conservancy District will receive about \$80,000 from these projects. Stewart would like the Conservancy District to agree to the Appaloosa Solar I Project. Jones said he will not be voting on this project because of a possible conflict of interest. Jones asked to speak with Wayment about a possible conflict before voting or abstaining. (*Jones and Wayment stepped into the hall to speak privately*)

Upon return Jones said he does not have any financial interest in these projects. (1:01:00)

B. Three Peaks Solar Project

Stewart would like to amend the current agreement to make it a smaller area. The project has been built and is smaller than it was originally. About 150 acres were cut off. (1:03:00)

- Seeking approval for an amendment to an existing interlocal agreement.
- *Discussion and possible action on Resolution 2017-11-16-03 approving an amendment to the interlocal agreement with the Iron County Community Development and Renewal Agency for the Three Peaks Community Development Project Area*

C. Quichapa Solar Project

The Sun Edison Project is three smaller projects. At least \$40 million would be invested to build three projects by the end of 2015. Only half of the projects were completed, so they did not qualify for the tax incentive standards. (1:04:10) Another developer came in and the agreement was redone to just do the three Quichapa projects. These projects are up and running currently.

- Seeking approval for a new interlocal agreement (that also rescinds old interlocal agreement)
- *Discussion and possible action on Resolution 2017-11-16-04 approving an interlocal agreement with the Iron County Community Development and Renewal Agency for the Sun Edison Phase I Community Development Project Area*

Hunter asked if there is any discussion on these interlocal agreements. Spencer Jones would like to have it on record that he does have dealings with one of the people working on this project, Luigi Resta, but those dealings do not in any way involve these projects. He will vote since he does not have a conflict of interest.

Cozzens motioned to approval the interlocal agreements and resolutions. Second by Allred. Motion Unanimous at 7:36pm. (1:08:15)

Jones motioned to amend the agenda in leu of time to move to agenda item #18 to have a full voting quorum for agenda item #20. Second by Cozzens Motion unanimous

Jones motioned to close the regular session and go into a closed Session. Second by Cozzens.

Roll Call as follows:

Cozzens-Aye

Jones-Aye

Allred-Aye

Hunter-Aye (1:08:44)

Board Member Jones motioned to adjourn the closed session and resume regular session board meeting. Second by Board Member Cozzens. Motion Unanimous at 7:56 PM

Board Member Jones motioned to approve the Wah Wah and Pine Valley settlement and lease agreement, with the understanding that the General Manager Paul Monroe and the District Attorney Justin Wayment have latitude for minor adjustments in text inasmuch as it doesn't change the intent of the agreement. Second by Board Member Cozzens.

Motion unanimous at 7:58pm. (1:10:19)

Jones made a recommendation that we remove CICWCD's name from the USGS publication prior to its publication. (1:11:32)

AQUIFER RECHARGE: UPDATE AND DISCUSSION: ▪Monroe-The generator is on its way for the recharge project. The Schmidt pit had the head gate filled with clay. Feltner cleared that out today. Feltner said they are ready for water. **(1:13:19)**

AQUIFER BALANCE & WATER DEVELOPMENT PROJECTS: DISTRICT WELL #2:
▪None

SUBSIDENCE MONITORING: ▪Monroe-We have installed eight new monuments Steve Woolsey and Monroe had a meeting and went over the monuments and the expectation of reports to the board. **(1:14:05)**

WAH WAH AND PINE VALLEY: ▪Crane-The surveyor has found some monuments that have not been touched since they were put in. He is doing a really thorough job to ensure the right of way is done correctly. He is about ten miles past Lund Highway and he is trying to get done before the snow comes. (1:15:10) ▪Jones requested that a second person go through his work and verify it. ▪Crane-They have been having a second and third person with over forty years of experience reviewing his work. (1:16:53)

WATER CONSERVATION: ▪Monroe-Shelby looked into the \$20,000 grant, it is not a matching grant. The full \$20,000 will be available to people in the County. (1:18:07)

GROUNDWATER MANAGEMENT PLAN AND LOCAL WATER RIGHTS CHANGES:

Monroe attended a conference in Florida where he was able to gather a lot of great research on efficient pivots from Texas A&M and Kansas State. Brent Hunter's farm has a LESA (low elevation spray application) heads. The LESA nozzles are eighteen inches to two feet apart. They are seeing about 95-97% efficiency. This equates to an additional 20% of water savings.

(1:21:04) The State Engineer has been looking for this type of information, studies, and numbers on these pivots. ▪Hunter-These save evaporation loss which means pumping less water out of the ground. Discussion about technology and pivots continues for a few minutes. (1:26:20)

▪Monroe-The next meeting for the Groundwater Management Plan Committee is Thursday, December 14th. The State Engineer presented three different changes he would like to make in the Groundwater Management Plan. Monroe went over the three policy changes and explained that the GMP Committee is drafting a letter with responses to the policies. (1:35:40)

BOARD MEMBERS REPORT: ▪Allred-Kanarraville has been getting help with Well #1 from Bert. Kanarraville is looking to drill a new well. Bert said there may be iron bacteria in the old well, and recommended that the well be abandoned and a new well be drilled. ▪Monroe said PVC casing was used on District #2 with stainless steel screen parts to prevent iron bacteria. Kanarraville will be filing for emergency funding. (1:38:38)

Next meeting date: December 21, 2017

ENGINEERING REPORT: ▪Crane-We have a meeting with the BLM tomorrow regarding the Quichapa Recharge Pond Project, as well as an updated on the West Desert. ▪Nielson-A few months ago we discussed the State changing their plan approval process. That approval went into effect on November 7th, 2017. The Board needs to review and consider adopting the Standards and Specifications and Standard Utah Drawings from the State next month. ▪Crane-It is a great program to have and will make the approval process go a lot faster with developers and the State. (1:40:10) Monroe talked briefly about the NEPA process and timelines. (1:42:05)

Board Member Allred motioned adjourn the regular meeting. Second by Board Member Jones.

Motion unanimous at 8:30 PM (1:42:20)