

Central Iron County Water Conservancy District  
Board Meeting Minutes  
April 27, 2017



**Board Members**

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

**District Staff**

Paul Monroe – General Manager  
John Juergens - Operator  
Tracy Feltner – Operator  
Shelby Ericksen – Public Information  
Curtis Neilson– District Engineer  
Justin Wayment-District Legal Counsel

**Others in Attendance:**

Royce Nelson  
Gary Player  
Aaron Alton- Grimshaw Drilling  
Gabe Miller & Rick Roberts -Kimball & Roberts  
Dillworth Armstrong  
Jake Benson-NRCS  
Tim Green-Transcon Environmental  
Cory Dow-Carollo Engineers

**CALL TO ORDER:** Board Chairman Hunter called the meeting to order. 6:30 pm  
Tyler Allred led the pledge, Paul Cozzens offered the invocation. (7:30)

**DECLARATION OF ABSTENTIONS AND/OR CONFLICTS OF INTEREST BY BOARD MEMBERS:** ▪ None (8:00)

**CONSIDER APPROVAL OF MINUTES FROM THE BOARD MEETING HELD March 23, 2017:** ▪ Joe Melling moved to approve the minutes from the meeting held March 23, 2017. Second by Allred  
Motion Unanimous 6:33 pm (8:50)

**PRESENTATION OF THE AUDIT FOR THE 2016 CICWCD FINANCIAL STATEMENTS-KIMBALL AND ROBERTS:**

▪Chairman Hunter welcomed Rick and Gabe with Kimball and Roberts, who performed the CICWCD's audit. ▪Rick- The reason we do an audit is to provide reasonable assurance that financials are stated and correct. We rendered an unmodified opinion. On page two, our opinion is expressed. Had we found any problems, another paragraph would be there with the findings of those. There are five parts to these financial statements. The first part is the opinion page, second is management and discussion analysis, third is basic financial statements, fourth is the notes, and the final part is the compliance section. (11:30) If you turn to page three, you will see the Management Discussion Analysis. This compares this year to the prior year. There are brief financial summaries. Assets, liabilities, and net position are listed on page four. \$24,906,976 is CICWCD's current net position. The operating expenses have gone down and the operating revenues have increased.

**(14:00)** On page 6, you'll see the net of depreciation. In the basic financial statements on page nine and ten, you will see the assets and liabilities in greater detail. The balance sheet shows the current cash in hand. That is unrestricted and that can be used to pay off debts. **(16:30)** The net pension liability is on page nine. The operating revenues on page ten show an increase. \$664,000 is the depreciation expense. **(18:50)** Property taxes, under non-operating revenues, increased. Impact fees need to be expended within six years or they will need to be paid back with interest to those who paid them originally. **(20:10)** On page 11, there is a statement of cash flows. It starts out with the cash received. It shows where the money was used. The West Desert Acquisition is considered construction in progress. Kimball and Roberts reviewed the interest paid on bonds. **(22:30)**

•Gabe- Reviewed the notes of the audit. The capital assets will show the balance, the additions, and the capital assets that are depreciating. The total between the capital assets-those being depreciated and those not, now total \$36,000,000. **(24:30)** Gabe recommended paying debt off when extra funds are available. Pages 24-34 cover the pension liability, GASBY 68, -these are required to be in the audit. On pages 36 and 37, you will see the auditors' report on internal control. **(27:30)** If we come upon anything wrong in internal controls, we look further. We review the cash receipting process, the minutes, etc. We didn't find anything that alarmed us. You have very good internal controls. At the bottom of page 36, we gave our opinion. **(28:50)** On pages 38-40, there is the State audit guide on compliance. There are only a few specific things we are required to check on. In regards to those items, CICWCD complied in all material respects with compliance guidelines listed above. **(30:10)** A couple of findings, open and public meetings act training. All board members are required to have a yearly training. The second is the posting of minutes. In a few instances, minutes were not uploaded in a timely manner. They must be uploaded within to the State website within three days of approval. **(32:10)** Kimball and Roberts responded to a few questions from the Board **(36:30)** 7:01pm

**CONSIDER APPROVAL OF THE AUDIT FOR THE 2016 CICWCD FINANCIAL STATEMENTS:** •Motion to approve the audit by Tim Watson. Second by Paul Cozzens. **(37:00)** 7:01 pm

**CONSIDER APPROVAL OF PAYMENT OF BILLS AND ADJUSTMENTS FROM March 15, 2017 THROUGH April 25, 2017.**

•Monroe- Pointed out the recharge project payments. Cedar City was reimbursed on the Flood Mitigation Project. On page two, you will see the payments to CMSI for the diversion structure. Construction Steel's payment was for the hole in the tank at Cedar Highlands. On page four, the payment to Global Power Supply was for the generator. Color Country Diesel inspected the generator and said it is a really great machine. We budgeted \$30,000 for the generator. The leftover \$8000 will be used to equip the well/pump houses so they can be run by the generator. **(40:50)** •Cozzens suggested keeping some fuel stored just in case. Jones would like a plan put together for how long it would take to have backup power and how long it will take to cycle through the fuel. •Juergens suggested a test could be done at booster station 3. **(42:30)**  
•Board Member Cozzens moved to approve the payment of bills and the register from March 15<sup>th</sup> through April 25<sup>th</sup>, 2017. Second by Jones. Motion Unanimous at 7:08pm **(43:20)**

**REVIEW 2017 FINANCIALS**-Monroe- We currently have \$1.2 million in checking and \$1.4 in the general PTIF account. I moved \$250,000 from the general account to the debt service. That will fully fund the debt service for this year. (45:00) On page three you will see that we are one-third through the year. We have received about 23 connections. We have 40 budgeted for this year. The highlighted items are ones that are over 33% for the year. The water sampling expense has been taken care of for most of the year. The cost sharing with Utah State University is listed as well. Candace got hired on full time with them. (47:00) We will be getting \$100,000 back for the diversion structure and will be filing for another grant. We had anticipated that we would be in the negative about \$200,000 last year, but we ended up making more. Some of the projects last year were not fully expensed. (49:00) ▪Cozzens suggested another possible avenue for grant money. ▪Crane- Most of that money is only available in loan form. The water system-20-year line was used to expend for the generator and the new Chekshani fence. (51:50) 7:16pm

**GENERAL MANAGER'S REPORT**: ▪Monroe- Turned the time over to John. ▪Juergens- Explained what the Water Operators have been doing at the recharge project. They placed the generator, poured the thrust blocks, installed a solar panel, etc. The concrete needs to cure and then we will be ready for water. (53:20) ▪Monroe- We brought on two summer hires. They have been doing a meter audit and have found a few problems. ▪Juergens- We did a hydrant meter audit and took three meters out of service. (54:30) 7:19 pm

**PUBLIC COMMENT**: ▪Gary Player- Suggested drilling some wells on the mountainside to keep Coal Creek full and to fully recharge the basin. Player looked at a well log that Enoch drilled by I-15 and found quartz monzonite-the same quartz monzonite in the New Harmony area. (56:40) Enoch's well will produce about 600 gallons a minute. The aquifer is quite good there and the quartz monzonite goes about 500 feet. Dillworth Armstrong doused that well. ▪Roice Nielson- Read a study done in 2002 by the Utah Geologic Survey and funded by CICWCD. (59:20) Gary and Roice met with the USGS in Salt Lake. There is very little water that comes across our basin according to the USGS and this report. Royce is convinced that the quartz monzonite goes from New Harmony to Wintersville. USGS is based on a model called Geo-mod. The key point I would like to make tonight is that this Board should be very careful on making a decision on a model. Instead of doing another study, we encourage you to drill wells. (1:03:40) Nelson suggested contacting Jeff Jurnac to do an audit on the model that is being used for the valley. (1:04:40)

**REVIEW, DISCUSS, AND CONSIDER THE APPROVAL OF THE WATER RESOURCE-ECONOMIC AND FISCAL ANALYSIS BY APPLIED ANALYSIS:**

▪Monroe- We went through this page-by-page two months ago. A couple of Board Members were absent, so we tabled it so they could review that. This will work as a living document. Before approving and publishing this, I would like the Board's blessing. ▪Jones-Asked if this needs an official approval. ▪Monroe- After a study is done, it is often adopted by the Board. ▪Melling-Suggested this study can be helpful when bonding. (01:10:10) ▪Hunter-Explained the importance of this study in educating the public. **Board Member Melling made the motion adopt the Water Resource-Economic and Fiscal Analysis as a living document and resource to be used and updated. Second by Jones. Motion Unanimous at 7:37pm. (1:12:20)**

**REVIEW, DISCUSS, AND CONSIDER THE APPROVAL OF THE CROSS-CONNECTION ORDINANCE:**

▪Monroe-Explained what a cross connection is and the threat of contamination. This ordinance gives us the right to approach whoever is cross-connected and require them to install a backflow. The current draft is not the direction we would like to take. Paul would like this to be tabled until next month. (1:14:15) ▪Wayment-The District cannot impose criminal charges for this because we do not have the backing. We don't need a law that establishes theft because there are State statutes for that. That will be talked about next month (1:16:20)

**AQUIFER RECHARGE: UPDATE, DISCUSSION & CONSIDER THE APPROVAL OF THE CONSTRUCTION OF A DIVERSION STRUCTURE FOR A RECHARGE PIT NEAR BULLDOG ROAD AND KITTY HAWK DRIVE:**

▪Cozzens- When Cedar City got approval from the FAA to do the Flood Mitigation Project, the FAA said it could be used until the end of April. We have put about 2,000 acre feet in that pit. Since this needs to be shut off the end of April, I wanted to find some other options for recharge. A lot of the pits are already being used for other things. (01:18:15) Cedar City has been leasing a pit to Phil Schmidt for 20 years. The Schmidt pit is a pretty good size. It would be very simple to cut a channel and put in a gate. Schmidt said if his lease from Cedar City is extended, he would be willing to let the City use his pit for recharge. The County has agreed to pay for 1/3 of the project. Cedar City will pay for 1/3 and maybe CICWCD would pay for the last 1/3. (1:22:35) Phil can cut a channel through in a couple of days with no problem. The Schmidt pit is out of the protection zone. The FAA can have a say in bodies of water within three miles of the airport. There is a chance we could recharge in the Schmidt pit. Cozzens explained where Cedar City has been recharging by the airport. (1:27:00) ▪Watson- Jonathan Stathis commented at the Cedar City Council meeting last night that the aquifer level has risen 20 feet in the last eleven years. (1:29:00) ▪Melling-Explained the history of how storm water has impacted the area by the airport. (1:32:20) ▪Hunter-No one wants the muddy water from summer floods. If you had a place to dump it, it would solve the problem. ▪Cozzens- Asked Wayment how to get additional insurance for the pit in case of accidents. ▪Wayment- The District can lease the pit from Schmidt. It cannot be insured if you are not in control. If you lease it, you can insure it. We don't contract it. (1:37:00) **The City could lease it. Watson motioned to approve a three-way split with Iron County and Cedar City for \$3500 to have the infrastructure put for a diversion structure near Bulldog Road and Kitty Hawk Drive in place. Second by Allred. Watson amended his motion by adding that the \$3500 will be issued once the lease, insurance, and easement issues are resolved and secured. Amendment accepted by Allred. Motion Unanimous at 8:05 pm. (1:40:50)**

▪Monroe- 2100 acre feet of water has been put into the recharge pit in 81 days. We talked about rip-rapping that area near the Kitty Hawk recharge pit. The City would like CICWCD to extend their water line from 2300 W to the wastewater treatment plant. We've talked about trading impact fees for the rip rap work. (1:44:00) PVC pipe costs have dropped significantly.

▪Jake Benson from NRCS was in the audience and came to check up on the progress of the recharge. He is impressed with what has been done and asked about maintenance of the recharge pits during the summers. He thinks this is a great project and reminded the Board that the meeting is in two weeks. ▪Monroe-We plan on using an additional \$100,000 grant to put a SCADA system into place. (1:48:00). Discussion continues for several minutes. (1:52:00)

## **AQUIFER BALANCE & WATER DEVELOPMENT PROJECTS: DISTRICT WELL**

**#2:** ▪Nielson- Met with Aaron and issued a letter to Grimshaw Drilling. Aaron has a proposal for us for District Well #2. **(1:52:50)**

▪Aaron Alton - The well sits at about 415 feet- just above the tool. The well was completed down to 490 feet. 10 super sacs of gravel would have been put in the well, but we ended up using 6 super sacs. While we were doing the gravel pack, we pulled out drilling mud and fluid as we were putting the gravel in. We proceeded to the final clean out. We had our guy run the swabbing tool. The tool has a rubber sleeve that runs along the screen. It settles the gravel pack as it goes down. He took the swab down to the bottom and it got stuck at 417 as he was coming up. We tried to pull it back up with different rigs. A boulder has rolled in and has caused the casing to collapse right below the joint and at the top of the tool. We cut the top of the tool and pulled the pump out. The screen is damaged enough that the gravel has caved in. There is no way to clean that out. There isn't a way to fix it as it is. We pumped about 400 gallons a minute, but have not done an official test pump yet. **(1:58:00)** We were ready pump it when we received word that you wanted a proposal. With the iron bacteria concern, there is iron bacteria in the soil and it can grow. PVC and stainless steel can reduce the risk. **(2:00:00)** As the driller, our reputation is very important to us.

If the Board wants us to put in a new well, we would be willing to. I am confident that it will put out enough water. I think the guy doing the swabbing went down to the bottom too fast. There is a good gravel pack down to about 360 or 370 feet. Typically when swabbing, we do go down fast to ensure the gravel is packed. **(2:03:00)** The well could be finished up in the next couple of weeks to a month. If you want it replaced or us to put in another well later, we can do it at cost, reduced cost, or work something out. ▪Cozzens- Are you willing to discount and warranty this well? ▪Watson-What is the life expectancy of this well? ▪Monroe-We were hoping by putting in a stainless-steel screen that we would get 20-30 years. **(2:05:30)** We did everything we could to avoid the iron bacteria. ▪ Alton- Explained that they could do a PVC pipe column to reduce the risk of iron bacteria. We could cement off the bottom, but you may lose some of your volume. **(2:08:30)**

▪Jones- If we are concerned about iron bacteria a schedule 120 can be used as a column. Jones suggested that cementing the bottom would help prevent the iron bacteria problem. ▪Monroe- Asked if the velocities are the bigger problem or the iron bacteria. ▪ Alton -Tell me what you want me to do and we will get started. **(2:11:20)** We are willing to come back in a few years and drill a new well for a discount if this well fails. ▪Jones- Another option is to cement it later if we end up having an iron bacteria problem. ▪ Alton - Talked about treating wells annually for bacteria. It helps with the longevity and has increased performance. **(2:14:20)**

▪Monroe- Asked the engineers about the velocities of the current screening as it is. Are we better off grouting it or trying to get more volume through the bottom of the hole? **(2:15:50)**

▪Crane- We have a rubber seal on the bottom and the top. Where do we have iron exposed? Is there any way we can seal the bottom three inch hole and grout from there to the top of the tool?

▪ Alton- We can do that. Your well would be 412 or 413 feet deep. **(2:18:30)** The static level is 110 or 115. There was only a 30 foot drawdown when they were pumping 400 gallons a minute.

▪Crane- Likes the idea of getting it sealed off. He would like to put the well to use. ▪Jones- We

are looking at doing many wells in the area. He agrees with Crane. (2:20:10) ▪Watson- If you were in our shoes, what would you do?

▪ Alton- I would cement the tool. If you want me to drill a new well, I will. ▪Jones- I just want to know what you would expect if you were in our shoes? ▪ Alton- I would cement it and test pump it. I don't think this well will give you a lot of problems and there is great water there. We can replace the well in the future if there is a problem. I think it is good to test it and see what you have before you start over. (2:23:20) Wayment suggest purchasing a performance bond that would ensure that Aaron doesn't have a noose around his neck and CICWCD doesn't either. (2:27:20) ▪Watson- How long will it take your to grout and do the full test pump? ▪ Alton- A week and a half to two weeks. Watson- Will that be enough time to find out about a bond? ▪ Alton- Yes. ▪Hunter- Aaron will do his best to finish things up and test the well. No motion will be made today. (2:30:50)

**SUBSIDENCE MONITORING:** ▪Monroe-The monuments agreements are ready to go. John, Tracy, and their crew will be getting those done soon. (2:31:30)

**WAH WAH AND PINE VALLEY:** ▪Crane- Brought up a 3D model that shows the West Desert and the water levels throughout the valley. Well seven has the highest level. He thinks it may be just a pocket of water that can easily be pumped out. Wells 11 and 12 had really high production rates. The water quality is very impressive. ▪Watson- Did you do anything on the east side? ▪Crane- There was some mounding of water, but nothing significant. (2:35:30)

**WATER CONSERVATION:** ▪Chairman Hunter invited Doug Hall to comment. ▪Hall- We have talked about using the water coming out of the sewer plant and I think it is time to do that. ▪Cozzens- Explained that Cedar City is meeting with the Division of Environmental Quality to talk about water quality and nitrates. ▪Hall-A group has come up with a process to breakdown sewage, produce clean water, create electricity, and use the excess for fertilizer. (2:37:40) ▪Cory Dow with Carollo Engineering- It is referred to direct potable reuse. It is very cost effective and is being done across the country. (2:39:30) He is currently evaluating this for Las Vegas and is working on a thesis on this subject. (2:40:50)

**GROUNDWATER MANAGEMENT PLAN AND LOCAL WATER RIGHTS CHANGES:**

▪Monroe- The Groundwater Management Plan has been meeting the second Thursday of each month at noon. You can see all of the minutes and presentations on the State website. There have been a couple of change applications in the valley to transfer from spring to ground water rights. These senior spring water rights that are trying to be resurrected as groundwater since they have dried up. (2:43:15) I wanted to bring that to your attention. Would you like them to be protested? There are some deadlines in the upcoming days. If these water rights are transferred into groundwater, you are pushing the timeline and possibly cutting off junior rights. (2:45:00) ▪Hunter- I think we ought to protest them. Allred agreed that the rights should be protested. (2:46:00)

**BOARD MEMBERS REPORT:** ▪ Jones- Judge Robert Hilder who we worked with in mediation has passed away. (2:46:40)  
**Next meeting date: May 18, 2017**

**ENGINEERING REPORT:** ▪ Nielson- We are working with John and Tracy to fix the GIS. They will be able to better map where the monuments are being placed. (2:47:30)

**Board Member Jones motioned to close the regular meeting. Second by Board Member Watson.**

**Motion unanimous at 9:13 PM (01:45:00)**

**Roll Call as follows:**

**Cozzens-Aye**

**Melling-Aye**

**Hunter-Aye**

**Jones-Aye**

**Allred-Aye**

**Watson-Aye**

**Board Member Jones motioned to adjourn the closed session and resume regular session board meeting. Second by Board Member Melling. Motion Unanimous at 9:51 PM**

**Board Member Jones motioned to adjourn the regular session board meeting. Second by Allred. Motion Unanimous at 9:52PM.**