

Central Iron County Water Conservancy District
Board Meeting Minutes
January 18, 2018



Board Members

Brent Brent – Chairman
Paul Cozzens
Joe Melling
Tom Stratton
Tyler Allred
Tim Watson

District Staff

Paul Monroe – General Manager
Mandi Williams-Office Manager
John Juergens - Operator
Tracy Feltner-Operator
Shelby Ericksen-Public Outreach

Curtis Nielson– District Engineer
Kelly Crane-District Engineer
Justin Wayment-District Legal Counsel

Others in Attendance:

Cory Dow

CALL TO ORDER: Board Chairman Brent called the meeting to order. 6:34 PM
John Juergens led the pledge, Tim Watson offered the invocation. (7:30)

DECLARATION OF ABSTENTIONS AND/OR CONFLICTS OF INTEREST BY BOARD MEMBERS: None (7:45)

Consider Approval of Minutes from the Board Meeting Held December 21, 2017 • Board Member Melling moved to approve the minutes from the meeting held December 21, 2017. Second by Board Member Jones.
Motion unanimous 6:37 pm (8:20)

CONSIDER APPROVAL OF PAYMENT OF BILLS AND ADJUSTMENTS FROM December 15th, 2017 Through January 11th, 2018:

•Williams- Discussed the yearly payments for Blue Stakes, a payment to Bradshaw Electric for wiring work, the lease for the printer/scanner in the office, and to Colt Perkins who is installing the ladders on the water tanks. Payments to Remote Control Systems for a transducer that went bad in Chekshani Cliffs. The fence at Three Peaks Tank required a down payment and work will be starting soon. Williams said there is a leak on the line that goes out to the mine. The materials have been purchased and will be worked on by John and Tracy in the Spring. (10:30)
•Watson asked if they have been able to locate where the leak is. Discussion on the line continues for a few minutes. (11:30) Watson asked if the costs for repairs on that line can be tracked. •Williams said she can track the costs, but does not know if CICWCD can be reimbursed for the work. •Wayment said Black Iron is in bankruptcy currently and they just

extended their plan. He said they are probably looking to sell the mine. (15:00) ▪Williams will start tracking those costs just in case.

Williams said the pump was replaced at Northridge by Stewart Brothers Electric. The yearly postage was also purchased since there will be an increase in the price of stamps. The paper for bulk mailing was also purchased. The Local Governments Trust premium payment this year was about \$2000 less than 2017 due to the audit that was performed. Williams asked if there were any questions. (17:00)

▪Hunter asked what the total interest paid by the District was for 2017. Williams pointed out the total principal is listed on the capital side of the budget and the interest is broken out of the operational side. (17:45)

Board Member Melling moved to approve the payment of bills and the adjustments register from December 15th, 2017 through January 11, 2018. Second by Board Member Stratton.

Motion Unanimous at 6:47pm (18:00)

Hunter asked that the Board move ahead to item seven on the agenda. (19:00)

REVIEW 2018 BUDGET- ▪Monroe- Reviewed the interest rates, principal rates, and such for loans. (24:15)

GENERAL MANAGER'S REPORT: ▪Monroe- Cross Hollow Hills has repeatedly asked that the District take them over and asked that it be brought to the Board. They are curious about what will happen with the Groundwater Management Plan. ▪Stratton asked what Cross Hollow Hills' would bring to the table. ▪Monroe said they have a newer system. They are already tied into the system, but the liability problem is with the water rights. The water rights have a priority date in the 1950's. (26:05) ▪Stratton said they will be a source of revenue for the District. He asked if the District took them over and they lost their water rights, would the District have enough water to continue to supply them. ▪Crane said the District would have enough to cover them. ▪Stratton said there is an advantage to acquiring them and their water rights is a revenue stream. ▪Monroe said there can be an agreement with them if they lose their water rights, they will need to subscribe to the West Desert water or something.

▪Monroe said they could be assessed another fee if their water rights are cut off. ▪Wayment said there may need to be an agreement signed by each property owner that they must bring in additional water rights if theirs is cut off. It would need to be associated with the property in the event that the current homeowners move. ▪Wayment said something needs to be recorded against the whole subdivision. (30:15)

▪Crane said Cross Hollow Hills has quite a bit in their savings account. ▪Stratton said they could be on a different rate structure, but said the ideas need to be brought to the Board by them.

(31:35) There are about 150 lots in Cross Hollow Hills. ▪Wayment suggested that if they have enough money in their savings account, they could buy the water rights that they need.

▪Watson asked if their system has been gone through. John and Tracy said they have and it looks good. (33:00)

▪Hunter said the State Engineer is not going to shut off their water. The answer is West Desert water. ▪Wayment said if the District takes over the system and has a contract that binds each homeowner to allow the District to service and bill, but not own the system until the District has

the water rights from collecting money from bills. (34:45) ▪Wayment suggested asking more questions and finding out where they are financially.

▪Watson asked why they want the District to take it over. ▪Crane said they are tired of managing the water system and they do not have enough water to supply. ▪Monroe said they are making a lot of money by charging customers a lot more than the District charges them for bulk water. (37:00) ▪Wayment suggested the District act as a contract operator. ▪Watson said the biggest issue is the water rights. He asked what their rate is currently. ▪Monroe said their base rate is lower than CICWCD's, but their tier rates were higher. (39:00) ▪Williams said a few property owners in Cross Hollow Hills have come into the office and have talked about the high rates. ▪Monroe said he will communicate that the Board is interested in taking Cross Hollow Hills over, but there would need to be some discussions about how it would happen. (40:25)

▪Monroe said an audit was done by the insurance agency on CICWCD's buildings a couple weeks ago and the major finding is that there is too much stuff in the well houses and office. Monroe said it may be a good idea to move into more space which would require an increase in the monthly lease payment in order to have space for storage and required space for perinate documents. Monroe said he spoke with Reed Erickson about it and they will find out further details on cost. (43:10)

▪Monroe said the discussions of how to finance the West Desert Project need to start with the public. A community outreach program needs to be put together. Once the legislative session is out, a lot of work will be put into that.

The annual water users meeting is March 20th and 21st. Monroe said everyone will be registered for one day unless told otherwise. Anyone wanting to go two days should let Mandi know. Monroe said he will be doing a presentation on the recharge project in Cedar Valley. (46:20)

PUBLIC COMMENT: ▪ None 7:10 pm (41:30)

CONSIDER APPROVAL OF CICWCD Standard Details, Construction Specifications,

Design Specifications: ▪Monroe- Said he read through them and some changes have been made. John, Tracy, and Paul went through those together. ▪Nelson said they also changed some of the verbiage. ▪Monroe said this can be submitted to the State. If they agree to the standards and design, when a developer comes and reviews it with the District Engineer, it does not take as long because it can be improved in-house. (21:00)

▪Crane said the document originally came from Cedar City and was modified, but goes along with a lot of the standards and materials used in the area. Crane said the plans will now go directly to Ensign and can be signed off on by them instead of going to the State.

Stratton moved to approve the standards. Second by Allred. Motion unanimous at 6:52pm. (23:10)

Watson left at 6:53pm.

AQUIFER RECHARGE: UPDATE AND DISCUSSION: ▪Monroe- Brent and Monroe discussed with the Roundy family regarding the property by Coal Creek across from Rusty's. All

they want in return is a concrete pad for vehicles. (47:20) ▪Hunter asked Chad Nay about putting some buildings in that area. That would increase the value of the properties in the area. The BLM is meeting to discuss the pond west of Quichapa. (50:20)

▪Cozzens- Said in the area of Highway 56 and Metal Craft, there is a ten-acre parcel owned by Cedar City. Any water from 300 West that does not go to the Lake on the Hill goes to that area. There is a lot of gravel in the area-94,000 tons. Cozzens said the gravel is beautiful and will be used on a new runway at the airport. Water will be put in the area where the gravel is dug out to recharge. Anything that doesn't recharge will go out to the Quichapa project via a culvet. (54:10) ▪Cozzens said it is clean water that is left over from irrigators and storm water. An estimated 2,000 acre feet will be recharged throughout the year. (55:00) Cedar City road crews are going to start harvesting that gravel. Kit Wareham came up with the idea and Cozzens read an email from him with an update. 15 foot test holes were drilled and seven inches of water per hour was absorbed. Stratton asked how deep the gravel was. ▪Hunter suggested the gravel could be over 100 feet deep. (58:20)

AQUIFER BALANCE & REUSE PROJECTS: None

SUBSIDENCE MONITORING: ▪Monroe-The Enoch area has seen the drop of a couple inches. More monuments will be set this year. (1:02:30)

WAH WAH AND PINE VALLEY: ▪Crane- Said the BLM resubmitted the POD. They should be getting back with comments in a week or so. They will suggest points of interest. Crane Said Michelle Campeau said she thought she'd have her staff's comments back by the end of the week. (1:04:00) An Environment Assessment (EA) is typically around 50 pages. (1:04:45)

WATER CONSERVATION: ▪Monroe- Said he met with Eric Millis and Mike Skyler about the pivots. Monroe told Millis what the District was trying to do with pivots this legislative session and he said he would like to put some seed money behind that. (1:05:45) He was very happy about the recharge projects being done in Iron County. ▪Cozzens said if a presentation was done during the legislative session about our projects, it may be helpful. (1:07:00) ▪Cozzens said the County may take over some gravel roads that need to be redone. They will be harvesting at the mouth of Quichapa Canyon. This may open up some possibilities for recharge by one of Cedar City's wells. (1:08:20) ▪Monroe said he is currently tracking some bills in the Legislative Session. House Bill 103 modifies the required contents of water conservation plans. The District already has what the bill changes in place. House Bill 104 requires an entity to report where they are leasing water outside of their boundaries. The State Engineer may have some issues with water that is considered surplus water. If the people leasing water become reliant on it, it can cause problems. (1:12:40) Promising people water and then cutting them off may cause some issues. ▪Stratton said these problems can be avoided by renewing leases yearly. Monroe said the bill does not cover water conservancy districts. House bill 135 is trying to change the law by letting private property owners do what they want with their land even if they are in the water shed. (1:15:30)

GROUNDWATER MANAGEMENT PLAN AND LOCAL WATER RIGHTS CHANGES:

▪None

BOARD MEMBERS REPORT: ▪Monroe- Said Spring Creek and Kanarra Creek will be monitored by data loggers. The intent is to hopefully help by providing data that can be passed on the State Engineer. ▪Hunter said Bob Holt is talking to the church to trade his water rights so the church can develop more land in the area. Allred said majority of that will be in Washington County. **(1:18:40)**

Next meeting date: February 15, 2018

ENGINEERING REPORT: ▪Crane- They will move forward with the engineering designs and get those to the State. **(1:19:00)**

Board Member Cozzens motioned to close the regular session and go into a closed Session. Second by Board Member Melling. Motion unanimous at 7:48pm

Roll Call as follows:

Cozzens-Aye

Allred-Aye

Melling-Aye

Hunter-Aye

Stratton-Aye (1:20:00)

Board Member Cozzens motioned to adjourn the closed session and resume regular session board meeting. Second by Board Member Melling. Motion Unanimous at 8:26 PM

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

Motion unanimous at 8:26 PM