

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



Board Members

Brent Hunter-Chairman
Paul Cozzens
Spencer Jones
Tyler Allred

District Staff

Paul Monroe-General Manager
Mandi Williams-Office Manager
Tracy Feltner-Operator
Jessica Staheli-Public Outreach

Others in Attendance

Cory Dowe

Kelly Crane-District Engineer
Curtis Nelson- District Engineer
Justin Wayment-District Legal Counsel

CALL TO ORDER: •Board Chairman Hunter called the meeting to order at 6:35 PM. Board Chairman Hunter offered the invocation.

DECLARATION OF ABSTENTIONS AND/OR CONFLICTS OF INTEREST BY BOARD MEMBERS: •None.

CONSIDER APPROVAL OF MINUTES FROM THE WORK MEETING AND BOARD MEETING HELD SEPTEMBER 20, 2018:

•Board Member Cozzens moved to approve the minutes from the board meeting held September 20, 2018. Second by Board Member Allred. Motion unanimous 6:37 PM.

CONSIDER APPROVAL OF PAYMENT OF BILLS AND ADJUSTMENTS SEPTEMBER 14, 2018 THROUGH OCTOBER 11, 2018:

•Williams-Said there was a payment for the Cost Recovery Agreement with the BLM. There was an added expense for starting monthly water samples at Cross Hollow Hills. The District had some expenses for the setup of the CICWCD Conference Room for the Water Advisory Committee. *The Board discussed the board meeting location.* •Monroe-Said the Board should discuss buying the office building in the future. He also discussed how the cost could possibly be decreased since many of the tax payers in the District already paid for the building for the county. •Cozzens-Said that there could be an issue with a government entity renting out a building and competing against the private sector. •Jones-Suggested the possibility of a lease to buy situation based on appraisal market. •Cozzens-Wondered where the District office could move if the county was to sell the current building. •Hunter-Said it would be worth considering in the future. •Williams-Said that on the Transaction Register there are several paperless billing credits that came from Cross Hollow Hills. There were also some returned checks. There were some disconnection fees, and a few billing adjustments on some Cedar Highlands meter reads.

•Board Member Allred moved to approve the payment of bills and the adjustments register from September 14, 2018 through October 11, 2018. Second by Board Member Jones. Motion Unanimous at 6:51 PM. (15:40)

Mandi Williams left and Justin Wayment arrived at 6:51pm

REVIEW 2018 BUDGET: ▪Monroe-Said that the water revenue is at 100%. The second highlight was the charges from Credit Card Payment Fees. Under contributions there was \$59,000 from Cross Hollows. This money will go to purchasing water rights. There will be some rights purchased from Arthur Salas and some others that are in progress currently. We are currently in the process of making a new water right policy that will make sure the water right is in good standing before we will accept the right. ▪Wayment-Said that the Division of Water rights is really looking into rights that have potential for quantity impairment. *The Board discussed Quantity Impairment for several minutes.* ▪Monroe-Said the District received 17% of our property tax. It received money through grants that was not expected. He went over the estimated revenue that the District will gain by the end of this budget year. The budget should be on track due to unexpected revenues in impact/connection fees, Cross Hollows, etc. **(33:50)**

REVIEW 2019 BUDGET: ▪Monroe-Said the District should be able to have a public hearing and consider the approval of the 2019 Budget in November's board meeting so that it can be approved before December. He then went over the 2019 Proposed Budget. He went over the sources of funds for the District and the uses of funds. He then went over the budget worksheet. He went over the incomes that are expected for the budget. He noted that the projected incomes are conservative. There was an increase for cost of living raises on the Director's salary, and for the other employees. The Office Manager line is where the office employees are included. There was a reduction from the office expenses line which went into the credit card expense line. There was also an increase for water operators, which would include cost of living raises and a new water operator. ▪Monroe-Said Hunter suggested the District includes \$60,000 for replacement pumps or wells if needed. He then went over the Capital Budget. For grants, there is some expected funding. Interest Revenue was increased because of the money that was put into the PTIF Account. There was money budgeted for recharge project and for the West Desert Project. There was money set aside for water right purchases and for a maintenance facility. There was money set aside for meter replacements. ▪Feltner-Said that meters are replaced if they are over 2,000,000 gallons. If under that amount, they replace the meter register. 10 years is about the lifetime of a meter.

▪Jones-Wondered if the budget includes the possibility of giving back Cedar Highlands water system. ▪Cozzens-Wondered if they would need another water operator if we gave back the Cedar Highlands system. ▪Feltner-Said they are already stretched quite thin, even with the temporary hires in the summer.

▪Monroe-Said there would be money set aside for the back-hoe lease, for a new server, and the purchase of a single axel dump truck and trailer. The dump truck and trailer would be bought used. It is possible that at the end of the year the District will have a good portion of money from the budget that was not used. Monroe and Cozzens had discussed previously that the money left over could possibly be saved to explore some of the deep-water theories in the future. This would also give the District time to watch and see if other organizations are having success with it. **(51:50)** ▪Jones-Said that it might be good to use some of the money from the West Desert Project to do concurrent work out in Pine Valley to look for deep water.

▪Discussion continued for several minutes in regard to deep-water, The UM Model, and drilling deep wells. They discussed how a successful well can be found a few feet away from an unsuccessful well. **(1:07:02)**

GENERAL MANAGER'S REPORT: ▪Monroe-Said he received an email about subsidence in the district area. He said there are quite a few spots in the Enoch Graben Area that have dropped significantly. The monitors that were put in Quichipa that have stayed fairly level.

▪Monroe-Said that the first meeting of the Water Advisory Committee went well. He heard some good feedback from committee members. Sage Platt did well to set the tone. Brent Hunter introduced and welcomed everyone. The State Engineer will be presenting at the next advisory meeting. The Groundwater Management Plan Meeting will be held at noon next Thursday, and the Water Advisory Meeting will be held at 3pm. **(1:12:18)**

PUBLIC COMMENT: ▪None

CONSIDER THE APPROVAL OF A WATER LEASE AGREEMENT BETWEEN CICWCD AND SOUTHWEST COMMERCE HOLDINGS LLC: ▪Wayment-Said the water lease is with Southwest Commerce Holdings. They want to lease us the water rights they have for \$1 for a year with the right of first refusal if the water is sold.

Board Member Cozzens motioned to approve the water lease agreement between CICWCD and Southwest Commerce Holdings, LLC. Second by Board Member Allred. Motion unanimous at 7:49pm. (1:14:00)

WAH WAH AND PINE VALLEY: UPDATE AND DISCUSSION: *(This agenda item was moved up in time in order to cater to Board Member time restrictions).* ▪Crane-Went over the West Desert Project Timeline. Ensign Engineering in the process of doing the preliminary engineering report. It is a continuous process. The District did not receive the grant for the Business Plan with the AE2S. He discussed some of the funding that will be determined. ▪Monroe-Said the EIS Report will be one of the critical points of the financial process. The EIS is something that people can challenge if they don't think it is financially feasible. Potentially there will be the need for some sort of Hydraulic model. ▪Crane-Said the alignment survey is scheduled to be completed by the end of the year. Most of the alignment will be along county roads to avoid going through easements. The Local Government and Regional Government Coordination are going to last most of the project process. The District needs to continue to connect with other government entities. There will also be a continuous evaluation of natural gas vs. wind vs. solar power. The District is leaning towards solar power currently. Cost Estimates will be updated continually. Public Meetings will start partway through the EIS Process. Purpose of Need will be continually revised and updated. Alternative options will be finalized after the EIS Process. There will be negotiations with Cedar City, Enoch City, and Kanarrville City for water contracts. Funding applications will continually be created. Public Relations campaigns are in process. One aspect of the Public Relations process is the Advisory Committee. The District needs the community to know who it is and what it does. Right-Of-Way acquisition is underway. ▪Monroe-Said that this project will now be called the Pine Valley Water Supply and Conservation Project. Pipeline was removed, and conservation was added to help add credibility. They discussed adding in guzzlers and water troughs for wildlife out in Pine Valley. Crane-Said that currently the project could be put into progress around 2025. **(1:32:00)**

Jones left at 8:07pm

Crane-Said they are working on land lease agreements with Iron County, biological surveys, and creating the RFP. They have put in a request for environmental consultants. (1:33:49)

WATER DISTRIBUTION SYSTEMS: ▪Monroe-Said that it is possible Cedar Highlands might want their water system back. ▪Allred-Said that most of the people at Cedar Highlands want to un-incorporate the town now. ▪Monroe-Said that turning over the water system could give Cedar Highlands a way to gain revenue for their other current issues. (1:36:25)

WATER CONSERVATION: UPDATE AND DISCUSSION: ▪None (1:36:45)

AQUIFER RECHARGE: UPDATE AND DISCUSSION: ▪Monroe-Said the District is moving forward on some projects. Precision Pipeline is going to come in dig some channels at the lazy river portion of the Quichipa Recharge Project. It will help settle out the water before getting to the end. ▪Feltner-Said that Precision's bid came in cheaper than the bid from Wheeler including the operator and fuel. Precision will do what they can with two days of work.

Discussion continued for several minutes in regard to trenches at the Quichipa Recharge Project. (1:46:20) ▪Monroe-Said that the valley got 3 inches of rain a week ago, which is more than it has received in the 6 months prior combined.

▪Monroe-Said that the next step in the Rusty's Project is making a contract with the Roundy family. ▪Wayment-Said Russel Limb does not have a right to the gravel through his current lease. The District needs to coordinate with Limb to make sure the contracts don't come in conflict with each other. ▪Hunter-Wondered if the District could hire Limb without receiving bids for the work. He wants to get rolling and be done before next spring. ▪Wayment-Said because he already has a lease, they could possibly give him the right to match other's bids. ▪Monroe-Said it might not be the best idea to go with the quickest option. ▪Hunter-Said he was concerned about losing the income from the gravel that is there. He said keeping the gravel could be a big asset for the District. *Discussion continued for several minutes in regard to gravel and a lease at the Rusty's Project.* (1:57:45)

GROUNDWATER MANAGEMENT PLAN AND LOCAL WATER RIGHTS CHANGES:

▪Monroe-Said the GMP Committee is meeting with the State Engineer on Thursday. There will also be water right hearings that day as well. There will be some hearings for a Kanarrville Resident's water application. Coal Creek Irrigation Company is protesting Cedar City's application. The District wrote a letter of support/caution for that application to the State Engineer. The District supported the recharge portion but gave caution about the recovery. ▪Monroe-Said that at last month's meeting the Board discussed making some changes to the water right priority date acceptance. If someone had a 1935 water right, they could bring in the water right, but if they had a water right junior to that 1935 priority, then they would bring in a specific portion of money based on the priority date. ▪Jones and Cozzens-Said that they were concerned about the high market for 1935 water rights. ▪Monroe-Said that has already happened, and this could possibly help that by giving some value to junior rights. ▪Wayment-Voiced his approval of the idea. ▪Monroe-Said that it puts some faith in the West Desert Project as well. The Board discussed that through bringing water in from the West Desert, the municipalities and

others could idle their wells when possible. This would help keep the aquifer a little more stable by reducing the water that is withdrawn. *The Board discussed these ideas for several minutes.* The Board voiced their approval of creating a priority date acceptance change. **(2:08:05)**

BOARD MEMBER REPORT: •None. **(2:09:12)**

ENGINEERING REPORT: UPDATE AND DISCUSSION: •Crane-Said they are looking into Chekshani Cliffs. There are a few different solutions. There is an option that uses a filtration system for about \$30,000. It is supposed to take out most of the hardness, and it also brings in a chemical to reduce some other challenges. An agreement needs to be made with Chekshani about the cost. **(2:12:59)**

The Board could not go into closed session without a Quorum.

Next meeting date: November 15th, 2018.

Meeting will be held in the CICWCD Conference Room at 88 E Fiddlers Cyn. Rd. Ste. A.

Board Member Allred motioned adjourn the regular meeting. Second by Board Member Cozzens. Motion unanimous at 9:11 PM.

Meeting Adjourned at 9:12 PM.