

Central Iron County Water Conservancy District
Board Meeting Minutes
May 16th, 2019



Board Members

Brent Hunter-Chairman
Spencer Jones
David Harris
Joel Myers
Terri Hartley
Tom Stratton

District Staff

Paul Monroe-General Manager
Mandi Williams-Office Manager
John Juergens-Water Operator
Tracy Feltner-Water Operator
Jeff McKee-Water Operator
Jessica Staheli-Public Outreach

Others in Attendance

Cory Dow-Carollo Engineer
Adam Long-Smith Hartvigsen Law
Gary Player
Beth Gaines-Cedar Highlands
Paul Cozzens-Iron County Commission
Maylee Feltner

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

CALL TO ORDER: •Board Chairman Hunter called the meeting to order at 6:35 PM. Tom Stratton led the Pledge of Allegiance. David Harris offered the invocation. **(1:49)**

DECLARATION OF ABSTENTIONS AND/OR CONFLICTS OF INTEREST BY BOARD MEMBERS: •None. **(1:55)**

CONSIDER APPROVAL OF MINUTES FROM THE BOARD MEETING HELD APRIL 25th, 2019:

•Board Member Harris moved to approve the minutes from the Board Meeting held April 25th, 2019. Second by Board Member Hartley. Motion unanimous 6:37 PM. (2:55)

CONSIDER APPROVAL OF PAYMENT OF BILLS AND ADJUSTMENTS APRIL 19, 2019 THROUGH MAY 10, 2019: •Williams-Said that there was a semi-annual payment for chlorine tablets. Checks were also ordered from State Bank. CICWCD also paid Hymas and Associates for the water right appraisal. Fuel payments were made to Ken Bettridge for the CAT and Generator, and a payment was made to Mel Clark on the recharge projects. PRV repair kits were purchased from Scholzens.

•Board Member Jones moved to approve the payment of bills and the adjustments register from April 19, 2019 through May 10, 2019. Second by Board Member Harris. Motion Unanimous at 6:40 PM.

•Williams-Went over the Transactions Register. There was a paperless billing credit, a few disconnection fees, and some account balance clean-ups. (6:34)

REVIEW 2019 FINANCIALS: ▪Monroe-Said the District is 41% through the year. Water Revenue is currently below which is typical for the spring. Water sales and reimbursements are fairly normal for this time of year. Connection/Impact fees are also on track. The majority of trainings and water sampling costs are at the beginning of the year, rather than the end. Most of the District's sampling tests are sent to Chem-Tech. University of Utah sampling was also discussed. The waste-water treatment plant was also discussed. He went over the capital budget. There were new meters purchased. There were equipment costs as well. The District will most likely move some funds from the checking account into the PTIF account. **(13:10)**

GENERAL MANAGER'S REPORT: ▪Monroe-Said that in April, Don Barnett and Kelly Crane spoke at the Water Advisory Committee Meeting. Next Week the DWRe is coming to speak with that committee about conservation efforts in the State. They will also have a booth at the Water Festival. Candace Schaible will also be presenting on local conservation efforts. The meeting will be held next Thursday at 4pm in the library.

Paul Cozzens arrived, and Mandi Williams left.

Jeremy Aguero will be at the next meeting which will be held the fourth Thursday in June. He will be presenting on the economics of water in Iron County.

Yesterday, District staff and community members took a tour to the West Desert. Before heading to the West Desert, we toured the recharge projects and the LEPA pivots. People were excited about the efforts the District is taking, and they wanted more people to see it.

Operations are currently busy, especially with the recharge projects. They will be installing the new data loggers the week of June 4th. They are waiting on the installation of a weir on the Horse Alley Pit. The current data loggers are within 5% accuracy. The new should be 2%.

Monroe briefly discussed the draft wholesale water agreement with Cedar City. This is for the project that borders our Spring Creek connection and Cross Hollow Hills. The concept is to supply Cedar City with the water, who would then maintain the line and bill the new subdivision. There may be a small PRV installed.

A backup pump was ordered for Parkwest pump. **(27:13)**

ECONOMIC DEVELOPMENT: UPDATE ON UTILITY-SCALE SOLAR PROJECTS IN IRON COUNTY TO DATE:

▪Long-Gave an update on the Solar Projects in Iron County. Basically, the solar companies are asking the taxing entities to waive a portion of the property taxes for these projects. ▪Monroe-Said that typically what happens is this property is already on greenbelt, once it becomes commercial the taxes would be higher. Although this agreement would give the company a large tax break, it would most likely be an increase in tax that the District is getting from the property. ▪Long-Said it is not taking away all the company's taxes. **(34:20)**

CONSIDER A RESOLUTION APPROVING INTERLOCAL AGREEMENTS BETWEEN THE CENTRAL IRON COUNTY WATER CONSERVANCY DISTRICT AND THE IRON COUNTY COMMUNITY DEVELOPMENT AND RENEWAL AGENCY REGARDING THE RUSH LAKE SOLAR COMMUNITY DEVELOPMENT PROJECT AREA AND THE FIDDLER'S CANYON SOLAR COMMUNITY REINVESTMENT PROJECT AREA:

▪Long-Said that the Fiddler's Canyon project is one that was already built, but they would like to modify the previous agreement. There was discussion for several minutes in regard to the agreements. There was discussion regarding the Rush Lake Solar Project and the Fiddler's Canyon Solar Project. **(41:10)**

▪Board Member Stratton moved to approve the Resolution approving Interlocal Agreements between the Central Iron County Water Conservancy District and the Iron County Community Development and Renewal Agency Regarding the Fiddler's Canyon Solar Community Reinvestment Project Area. Second by Board Member Myers. Motion Unanimous at 7:15 PM.

Roll Call as follows:

Jones-Aye
Stratton-Aye
Harris-Aye
Myers-Aye
Hartley-Aye
Hunter-Aye

▪Board Member Stratton moved to approve the Resolution approving Interlocal Agreements between the Central Iron County Water Conservancy District and the Iron County Community Development and Renewal Agency Regarding the Rush Lake Solar Community Development Project Area. Second by Board Member Myers. Motion Unanimous at 7:17 PM.

Roll Call as follows:

Jones-Aye
Stratton-Aye
Harris-Aye
Myers-Aye
Hartley-Aye
Hunter-Aye

WATER RIGHT ACCEPTANCE POLICY DISCUSSION AND CONSIDERATION FOR APPROVAL: ▪Monroe-Went over the proposed changes to the policy. The changes are in relation to the Hymas Appraisal. He went over the tiered schedule. He suggested that the District should not accept anything junior to 1954. Water rights between 1954-57 would potentially be in that first cut when the Groundwater Management Plan is put in place. The District must protect themselves so they can provide water to the public. *The Board viewed the State's webpage that lists the water rights currently owned by the District and the potential rights that would be cut.*

There was continued discussion in regard to the tiers. Depending on the priority date, a customer would bring in a percentage of the market value along with their water right. He noted that the numbers are somewhat different than those listed in the Hymas report due to the minimal number of water rights that have been sold, and due to the low knowledge of the community and realtors about water rights. ■Harris-Noted that the example should be adjusted to fit the tiers. Jones-Said that he wanted to have a MAI appraisal done on water rights for this proposed policy. He feels that the policy needs to go along with the appraisal so that it will back up the policy. He spoke about recharge, conservation, and the West Desert importation for several minutes. He spoke about the possibility of not having the first cut at all. He voiced his support of having the tiers exactly like the Hymas appraisal which would accept water junior to 1954. ■Monroe- Stated his belief is that the District should take a more conservative approach. This is a good year for recharge, but there is no guarantee it will stay like that. Also, the appraisal was only based on minimal water right sales. There are many paper rights that are not currently being used but they could be used. The District has never accepted rights junior to 1955. ■Jones-Said that this policy could be modified in the future.

■Board Member Jones moved to approve the Water Right Acceptance Policy with the Water Right Acceptance formula as outlined in the MIA appraisal that was concluded for the District on the market value and percent change from base. Second by Board Member Harris.

■Wayment-Said it may be worth it to put a limit in order to mitigate the risk of purchasing.
■Monroe-Clarified that this policy is not for purchasing rights, people who want to connect to the District. The District must supply water to these people for perpetuity. ■Jones-Mentioned again that they would be able to change this policy in the future. ■Harris-Thought that by keeping the dates listed currently it almost makes some property have no worth. ■Monroe-Said that by accepting those rights we put ourselves at risk of not being able to supply water. He is very confident that the first cut will happen. ■Hartley-Said that she tends to be on the conservative side. She said that the District should probably not accept those junior rights, especially not until the Groundwater Management plan is put in place. ■Jones-Mentioned that the GMP Plan is contingent upon many different circumstances.

Motion Failed at 7:50 PM.

■Board Member Stratton moved to table the Water Right Acceptance Policy so that the Board Members and Staff have the chance to discuss the topic further. Second by Board Member Myers. Motion Unanimous at 7:52 PM. (1:17:53)

■There was discussion on how the policy needs to be revisited frequently.

PUBLIC COMMENT: ■Player-Said that David Anning just moved to the area. He is a geologist from Arizona who has done a lot of hydrologic work. He thought the District should use him as a resource. **(1:20:24)**

REVIEW AND DISCUSS A PROPOSAL FOR DEEP WATER MAPPING IN CEDAR VALLEY FROM PRIMARY WATER RESOURCES & PRIMARY WATER TECHNOLOGY:

▪Monroe-Said that the Barnett's are taking a look at the proposal. Rob Dotson is looking at some other companies that could do deep water mapping as well. They are going to visit with the county commission and other entities. (1:21:59)

WAH WAH AND PINE VALLEY: UPDATE AND DISCUSSION: ▪Monroe-Said the District had the kick-off meeting on Wednesday for the EIS. The largest part of the EIS will be the hydrological model. The two main hydrologists are Mike Tietze and Pete Townsend from Formation. They have done projects for Southern Nevada Water Authority. There are some BLM Hydrologists, and USGS geologists will be doing the review of the model. It will be an intense process. There will be cultural, biological, and hydrological studies that need to be done in the next couple of months. Then the notice of intent (NOI) will be filed. One year after the NOI is filed, everything will need to be finalized for the Record of Decision. Some BLM and District Staff went out to the West Desert as well last week. ▪Nielson-Said it was a good week on taking tours. There were a lot of comments on people wanting more tours. The RFP was sent out. (1:27:38)

AQUIFER RECHARGE: UPDATE AND DISCUSSION: ▪Hunter-Said he would like to take a few staff and Board members to show them some of the ideas he has for recharge. ▪Cozzens-Said he would like to dig a channel from Schmidt Pit to the County Pit. It would need to be done when the water was low. It would help to mitigate sediment cleaning. He spoke about a few other gravel pits that could possibly be used. *There was discussion in regard to the recharge facilities and the airport.* ▪Monroe-Said it is approaching 3,000 acre-feet of water that has been put into the recharge facilities. (1:35:45)

WATER CONSERVATION: UPDATE AND DISCUSSION: ▪Monroe-Announced that the Water Festival is next month on June 29th at the Main Street Park. Southwest Plumbing is our keynote sponsor and co-host. Ensign and Carollo Engineering are also sponsoring the Festival. ▪Cozzens-Said that many pivots have been converted to LEPA/LESA. ▪Monroe-said there will be about 2,000 acres converted. The agricultural optimization committee will be gaining more funds to help convert more pivots to water efficient technology. James Greer from the State is looking at it very closely. (1:51:54)

DISTRICT INFRASTRUCTURE IMPROVEMENTS: ▪Monroe-Stated we are still waiting on the grants for Chekshani Cliffs and Cedar Highlands. ▪Nielson-added that they heard back some comments on Cedar Highlands grants. There was an issue with prairie dogs that they need to work out. ▪Monroe-Said the people in Chekshani are wanting answers. We are continually sampling but haven't found a lot of answers on what is causing the corrosion. (1:43:34)

DISCUSSION OF GROUNDWATER MANGAGEMENT PLAN AND LOCAL WATER RIGHT CHANGES: ▪None. (1:43:53)

BOARD MEMBER REPORT: ▪None. (1:44:02)

ENGINEERING REPORT: UPDATE AND DISCUSSION: ▪None. (1:44:09)

Next meeting date: June 20th, 2019.

Board Member Harris motioned to close the regular session and go into a closed session regarding acquiring or relinquishing real property and/or water rights. Second by Board Member Hartley. Motion unanimous at 8:18 PM.

Roll Call as follows:

Jones-Aye

Stratton-Aye

Harris-Aye

Myers-Aye

Hartley-Aye

Hunter-Aye

Board Member Harris motioned to adjourn the closed session and resume regular session Board Meeting. Second by Board Member Hartley. Motion Unanimous at 8:31 PM.

Board Member Harris motioned adjourn the regular session Board Meeting. Second by Board Member Stratton. Motion unanimous at 8:31 PM.

Meeting Adjourned at 8:31 PM.