

Central Iron County Water Conservancy District
Board Meeting Minutes
October 17th, 2019



Board Members

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

District Staff

Paul Monroe-General Manager
Mandi Williams-Office Manager
John Juergens-Water Operator
Tracy Feltner-Water Operator
Jessica Staheli-Public Outreach
Jeff McKee-Water Operator
Kassie Neiwert-Intern
Kelly Crane-District Engineer
Curtis Nielson-District Engineer
Justin Wayment-District Legal Counsel

Others in Attendance

Paul Cozzens-County Commission
Tim Green-Transcon Environmental

CALL TO ORDER: •Board Chairman Hunter called the meeting to order at 6:34 PM. Curtis Nielson led the Pledge of Allegiance. David Harris offered the invocation.

DECLARATION OF ABSTENTIONS AND/OR CONFLICTS OF INTEREST BY BOARD MEMBERS: •None. **(1:40)**

CONSIDER APPROVAL OF MINUTES FROM THE BOARD MEETING HELD AUGUST 15, 2019:

•Board Member Harris moved to approve the minutes from the Board Meeting held August 15, 2019. Second by Board Member Hartley. Motion unanimous 6:36 PM. **(2:01)**

CONSIDER APPROVAL OF PAYMENT OF BILLS AND ADJUSTMENTS AUGUST 8, 2019 THROUGH OCTOBER 10, 2019: •Williams-Said that there was a semi-annual chlorine tablet order. Carollo Engineering was paid for their work on the Financial Business Plan and Water Needs Assessment. There was a payment for the installation of new meter and calibration system for the SCADA system. A yearly payment to remote control systems who does all of our SCADA was paid. There was a payment to Transcon Environmental for the EIS work. There were yearly membership dues paid to UASD and for the registration to their yearly conference. She then went over the transaction register. There were a lot for certified liens. There were also disconnection/reconnection fees and paperless billing credits.

•Board Member Harris moved to approve the payment of bills and the adjustments register from August 8, 2019 through October 10, 2019. Second by Board Member Hartley. Motion Unanimous at 6:40 PM. **(6:05)**

REVIEW 2019 FINANCIALS: •Monroe-Went over the Operational Budget. There were 55 connection fees paid so far this year, and there will probably be just a few more. There was an increase in engineering and attorney fees due to more work with water rights, new connections, and new services. He explained that the new water right process can take around 4 months. We

rcvd \$33,000 grant from Division of Water Rights for the new Data Loggers. He then went over the capital side of the budget. We are over budget on the recharge line. We are also above on the West Desert, due to unexpected costs. He then highlighted the cash in checking, the PTIF account, and the debt service reserve. (12:52)

WAH WAH AND PINE VALLEY: UPDATE AND DISCUSSION BY TIM GREEN WITH TRANSCON ENVIRONMENTAL:

•Green-Introduced himself as the project lead for the EIS. They started in May. They meet weekly with CICWCD and bi-weekly with BLM. They moved forward rapidly on the cultural and biological surveys. They will be working with the UDWR to mitigate for Sage Grouse. There has been a lot of work on the groundwater modeling portion of the EIS. Formation Environmental is the subcontractor doing the Hydrologic Modeling. He then went over the schedule. We are pushed back about 6 months. After the NOI, there is a timeline of 1 year for the BLM to finalize their portion. •Monroe-Said that the delay has been due to some issues with the original hydrologic model. And the main hydrologist left the BLM a few months into the process. So, that put things behind. He discussed the GBCass Model that the Hydrologists are using. He also mentioned the change order that was discussed in previous meetings as well. He said that Transcon has a good relationship with the BLM office and other offices that they deal with in the EIS Process.

Cozzens arrived at 6:55 PM.

•Hunter-Asked Green what his biggest worry was. •Green-Said that right now his biggest worry is trying to stay on schedule with all the changes that have happened in the Hydrology part of the EIS. •Monroe-Explained that the model could easily stretch far throughout the huge valley, so they are trying to keep it minimal. •Green-Said they are trying to minimize that with the adaptive management approach. •*There was some continued discussion in regard to working with the BLM and UGS. There has had to be a lot of compromise.* •Green-Went over the Budget for the EIS of the West Desert. \$585,000 was the original and was then it was upped to \$791,000. There were scope modifications that totaled \$451,000. This puts the total budget at \$1,036,000 with the scope modifications included. •*There was continued discussion in regard to the change order to create an updated hydrologic model to replace the other GBCass Model that does not include any natural recharge information. The new study will include all of the research that we have done before with the test wells and other information. There was discussion in regard to the fact that it is a model, but it will help us know what could be out there.* (39:59)

REVIEW 2020 PROPOSED BUDGET: •Monroe-Went over the bonds/loans of the District: when they were issued, how much they cost, and when they will be paid off. He discussed the loan that will be paid off soon, and the infrastructure improvement that we could get a loans/bonds for. Those would just replace that other loan that will be done soon. He discussed the Cedar Highlands well treatment solution RFP. The best choice went to Culligan. He suggested that we move forward with installing that treatment facility to make the well usable, so that Cedar Highlands will have a reliable source when the springs run low. The treatment bid in Chekshani went to Culligan as well, but that eventual decision will be chosen through a vote by the customers. That facility cost will also be covered by the subdivision customers themselves. He also discussed adding in a line from Chekshani to Kanarraville for back up. He then brought up the tank, well, and booster system that would be used to connect our system to Cedar City to have back up that way as well. Those would be done through grants/loans as well. We will

continue to look into funding these projects. ▪Hartley-Said it might be smart to look into refinancing some of the loans we have right now to cut down on the current interest rate. ▪Monroe-Then started going off of the cash flow of the District. He went over some of the expected the payments that will be made next year for the West Desert Projects. He briefly discussed the timeline of the EIS. About 50% of the District's funds goes to operations and maintenance, 25% into bond/loan payments, and 25% into capital projects. 67% of the District is funded through Property Taxes.

▪Monroe-Then started going over the 2020 Proposed Operational Budget. He mentioned that at the beginning of the week Harris, Hunter, and Stratton discussed the budget with Williams and himself. He proposed an increase of 100,000 for water revenue which was conservative estimate. The budget proposes 40 new connections. There were some proposed raises for staff wages. Most other budget lines have a 2% increase. There was an increase for the payments for engineering. He went over the budgeted state grants. There is estimated \$148,000 more in total income and expense. He then went into the Capital Budget. There will be some water development projects, recharge projects, preliminary engineering for the EIS, potential water right purchases, new meters, a new pump, the lease on our backhoe, and a new truck for a water operator. ▪Stratton-Asked if we are going to create a new maintenance facility to hold our equipment in. ▪Monroe-Said it was in the budget for last year, but it had to be replaced with unexpected charges on the EIS. ▪Stratton-Said that he just wanted to make sure that it is on the radar. ▪Monroe-Said the plan has always been to build it on the land that the District owns in Westview. ▪*There was continued discussion in regard to a maintenance facility.* ▪Cozzens-Said that the county is building a new facility for some equipment have. It might be an option to work with the county to share their old facility to store some of the equipment that the District has for now. *There was discussion on how important operation and maintenance side is, since the District is growing rapidly. (1:12:52)*

GENERAL MANAGER'S REPORT: ▪None. (1:13:34)

WAH WAH AND PINE VALLEY: ▪Crane-Said that the Water Needs Assessment and Financial Business Plan are moving along and should be ready for review by the end of the year. It is good data and will be very helpful for the District, and also Cedar City and Enoch. ▪Monroe-Said that their information will be a great tool for all the entities. Their Water Needs Assessment is bringing into question recharge, conservation, population growth, and the GMP Plan. With the information we have now, the West Desert Project should be on track to come in at just the right time. It should really help the decision makers of the community make the best decisions. The District is not capable of providing the West Desert Project by itself, so all entities will have to be involved if it is to go through. (1:18:25)

PUBLIC COMMENT: ▪None. (1:18:36)

AQUIFER RECHARGE: UPDATE AND DISCUSSION: ▪Monroe-Went over TDS samples at Coal Creek and Quichapa. They created a chart that shows the trends through the years. During the floods, the TDS increases in Quichapa. As the years go on, the TDS also increases. Monroe has been talking with Dean Winward to see if there could be further studies on this and see if that water could be used on fields. Specifically, to be able to use the water when possible on the Jones' farm. The south end is quite high, but the north end should be usable. If we had the

infrastructure, we could have been possibly using that water on fields during the summer. Dean is going to make sure the water can be used. Monroe would like to install a water line from Quichapa to the Jones' farm so they could run the pivots. There was so much water going out to Quichapa because the recharge facility we have is just not large enough to catch it all. *There was continued discussion in regard to the water in Quichapa. (1:27:00)*

WATER CONSERVATION: UPDATE AND DISCUSSION: ▪Staheli-Went over the Locascapes Program that the District just partnered with. It is landscape designed for the climate in Utah. They have 5 design elements that they use to help reduce water in landscaping by 2/3rds. It reduces turf size and maintenance. They also have a program called "flip your strip" designed for park strips in cities. They remove the grass and add in water wise plants to help reduce water use, since most water in that area just goes onto the streets and sidewalks. They offer classes online for people in Iron County, but hopefully in the future we can offer live classes as well. ▪Monroe-Said the idea is to have a central location, since around the outside there is really no need to have lawn. It also helps the curb appeal as well. (1:29:24)

DISTRICT INFRASTRUCTURE IMPROVEMENTS: ▪Monroe-Asked the Board for their approval to extend a line from Quichapa to the farms. ▪*The Board voiced their approval.* He then asked if the Board would like to move forward with the treatment on the well. ▪*They voiced their approval as well.*

▪Monroe-Started discussion about the treatment for Chekshani Cliffs. He thinks that the community will want to choose the treatment option. The cost will be assessed to the property owners. They can either pay that up front, or finance through the District. There will also be an additional O&M cost assessed to the customers through their monthly base rate. ▪*There was also discussed the option of drilling a well.* ▪Monroe-Said that they may approach Bob Holt to drill the well, and we would purchase the well. This would significantly lower the cost. The District will move forward on treating the Cedar Highlands Well. In Chekshani Cliffs, they will approach the water system customers to see what they would like to do. ▪*There was continued discussion for several minutes in regard to the water options in Chekshani Cliffs.*

DISCUSSION OF GROUNDWATER MANAGEMENT PLAN AND LOCAL WATER RIGHT CHANGES: ▪Monroe-Said there was a meeting the other night with the State Engineer. There wasn't anything at the meeting that was new information. (1:42:54)

BOARD MEMBER REPORT: ▪None. (1:42:55)

ENGINEERING REPORT: UPDATE AND DISCUSSION: ▪Nielson-Said that most of the designing is complete for the Cedar Highlands Spring Redevelopment Project. Typically, they are required to go through the RFP process, but he asked the Board if they should just continue since most of the work is done already. ▪*The Board voiced their approval of Ensign continuing on with the work. (1:46:57)*

Next meeting date: November 21st, 2019.

Board Member Stratton motioned to adjourn the regular session Board Meeting. Second by Board Member Harris. Motion unanimous at 8:25 PM.

Roll Call as follows:

Stratton-Aye

Hartley-Aye

Harris-Aye

Myers-Aye

Hunter-Aye

Meeting Adjourned at 8:25 PM.