

Central Iron County Water Conservancy District
Board Meeting Minutes
August 20, 2019



Board Members

Brent Hunter-Chairman
Thomas Stratton
Spencer Jones
Terri Hartley

Others in Attendance

Dan Stewart-Cedar City
Rob Dotson-Enoch City
George Mason-Bumblebee Subdivision
Paul Cozzens-County Commissioner
Matt Wood
Marilyn Wood-County Commissioner Elect
Jim Hilton-Cedar Highlands HOA (online)
Joan Meiners-The Spectrum (online)

District Staff

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

CALL TO ORDER: •Board Member Hunter called the meeting to order at 6:31 PM. Jeff McKee lead the Pledge of Allegiance. Mandi Williams offered the invocation.

DECLARATION OF ABSTENTIONS AND/OR CONFLICTS OF INTEREST BY BOARD MEMBERS: •Jones-Mentioned that he is on the Enoch City Water Board. **(2:38)**

CONSIDER APPROVAL OF MINUTES FROM THE BOARD MEETING HELD JULY 16, 2020 & THE MINUTES FROM THE CHEKSHANI PUBLIC MEETING JULY 30, 2020:

•Board Member Hartley moved to approve the minutes from the Board Meeting held July 16th, 2020 & the minutes from the Chekshani Public Meeting held July 30, 2020. Second by Board Member Jones. Motion unanimous 6:33 PM. **(9:40)**

CONSIDER APPROVAL OF PAYMENT OF BILLS AND ADJUSTMENTS JULY 10, 2020 THROUGH AUGUST 12, 2020: •Williams-Went over the payment of bills. Chlorine tablets were ordered. There was a payment for fuel to the State Department of Administrative Services. It is a new fuel system. There was a payment from the grant that was paid to Ensign for \$40,000. The grant was a \$400,000 grant. Payment was made to Transcon for the EIS. There was a yearly lease payment for the backhoe.

•Board Member Stratton moved to approve the payment of bills and the adjustments register from July 10, 2020 through August 12, 2020. Second by Board Member Hartley. Motion Unanimous at 6:36 PM. **(12:11)**

•Williams-Went over the transaction register. There were mostly some fire hydrant refunds and paperless billing credits.

REVIEW 2020 FINANCIALS: ▪Williams-Said we are 66.67% through the year. Most things are normal. ▪Monroe-Said things were that there are a few ledger lines that look high, but those will be paid by grants. ▪Jones-Asked about the lease expense for the office building. ▪Monroe-Said that we pay the lease a year in advance. (14:45)

SUNSET SUBDIVISION (BUMBLEBEE WATER SYSTEM): CONSIDER APPROVAL OF EMERGENCY CONNECTION BETWEEN CEDAR CITY & CICWCD:

▪Monroe- There are two agreements that will need to be considered for this area. First agreement is between Cedar City and the CICWCD. This will handle the emergency bulk connection between our two entities.

▪*There was a short discussion based on a question from Stratton on the 4b Connection that was connected to our 8" water line on Laurie Lane in the Westview Subdivision. Stratton just wanted assurance that the line for that feed would be looped. Curtis Nielson responded that the line is looped in with Cross Hollows.*

▪Monroe has incorporated the changes that Cedar City wanted to see in the agreement. With those changes it has been reviewed by Cedar City and ready for our review.

▪Wayment-Said that the changes that Cedar City requested were fairly easy to incorporate. Our connection will be treated as any other customer connection. If we need water, we will be billed like anyone else. This will be sent to the State of Utah, for their final approval. As per this agreement and our agreement with the Sunset Subdivision, they (Sunset) will be required to pay for this connection. They have money in their coffers to cover those charges. ▪Stratton- Questioned that Cedar City is actually going to be in charge of sampling the line. Paul stated that they will be in charge of that requirement.

▪Board Member Jones moved to approve the Emergency Connection between Cedar City and CICWCD. Second by Board Member Stratton. Motion Unanimous at 6:49 PM. (25:09)

SUNSET SUBDIVISION (BUMBLEBEE WATER SYSTEM): CONSIDER APPROVAL OF ASSIMILATION AGREEMENT BETWEEN BUMBLEBEE WATER SYSTEM AND CICWCD:

▪Monroe-Said this is similar to the Cross Hollow Hills Agreement. The water rights on this subdivision have a good priority date and are all in good standing with the state. There will need to be some system upgrades. The system will convey approximately \$115,000 for those upgrades/improvements. The subdivision will transfer the money to the District, and the District will make the necessary upgrades. ▪Wayment-Said the water rights are excellent. Most homes are built in the system approximately 43 or the 58 lots are constructed, so we are on the downhill slope of that development. Mr. Mason has given me the as-builts for this subdivision, I have been able to look everything over, there was question in the past, we were able to clear up ownership on the roads. The roads have now been dedicated to the County and have been improved. ▪Jones-Questioned if we would need to have some type of agreement for use of the easements for our waterlines. ▪Wayment- Stated that the waterlines are already located in those easements and shouldn't be any issue with the County. ▪Feltner- We have had a number of people out there to review the main electrical, and infrastructure. We have done a thorough review to make sure that the cost amount that we have quoted is going to cover the costs associated with

bring the system up to our standard. ▪Mason-Said he was still with the District when this subdivision first came about. At that time, they had nothing in place, they approached me after I quit the working for the District and asked if I could help get them approved by the State. I stepped in and began working on the system and in 2013 it was approved and has been since. ▪Crane-Said it was built to our standards back in 2007. ▪*Some discussion about lot and parcel size continued for a few minutes.* ▪Monroe- Stated that he did have one question for Mr. Mason. He read from the agreement a phrase that reads, “Water usage within the Subdivision shall continue to conform to current CC&R’s.” ▪Mason-Each lot has one-acre foot of water deeded for use, so other than that I’m not aware of any other restriction that is listed in any documents. (38:00)

▪Board Member Stratton moved to approve the Assimilation Agreement between Bumblebee Water System and CICWCD. Second by Board Member Hartley. Motion Unanimous at 7:02 PM. (39:00)

▪Nielson-Began discussion in regard to Henrie’s Place. This area has tentative plans to function as a summer camp. Currently there is not a lot there, but they have provided a future plan that shows what they would like to have available there. Based on what that plan shows, it will add an additional 2.5 ERC’s to the system. Currently the Sunset’s indoor peak demand is 31.9 GPM this connection will add an additional 11.66 GMP if you factor in outside water usage that is planned it will add to that demand to 22.68 GMP. The well currently produces 90 GPM so to meet with the State requirements, we have to be underneath that. So Sunset (Bumblebee) at complete build out they will require 61 GPM, if you include Henrie’s place added demand that would put it at 84 GPM. That is just based on summary usage that has been provided to me. That puts us extremely close to our source capacity. ▪Mason-I believe it was around 2014 that this agreement was put in place. There was only one spec house in the area, and not as many lots. At the time it seemed like a really good idea to let Henrie’s place use the water, so that there was water running through the system. Since then they have only used about 19,000 gallons of water, but as of right now there is nothing going on at that camp. They are just now starting to build a few cabins. So, we felt like just to protect ourselves we needed the agreement to state that when the subdivision was at 75% buildout, that connection would be cut off, and they would need to find an alternative source. (44:04) ▪Nielson-Currently there is not sufficient water to provide fire suppression to that area, so if we moved forward with that connection, we would have to install a small booster station. ▪Monroe-Said that in discussions with the owner of Henrie’s place, they would be fine with putting in the necessary pump or booster. As George mentioned, they are currently connected. However, they would like to know if they need to drill a new well or if they would be able to connect. ▪Wayment-Said we can’t make the actual decision tonight, but it does need to be in the discussion. This is an item that we should consider over the next month ▪Monroe-Said that a couple things to be aware of. If they drill a well, they would be within approximately 500 feet of the existing well, and they are upstream from the well. So, this could also impact the system.

ECONOMIC DEVELOPMENT: CONSIDER AN INTERLOCAL AGREEMENT BY AND BETWEEN THE CEDAR CITY REDEVELOPMENT AGENCY AND THE

CICWCD FOR THE DECORWORX PROJECT WITHIN THE COAL CREEK COMMUNITY REINVESTMENT PROJECT AREA:

▪Stewart-Said the project he's presenting is an older project. The Decorworx building has been completed for some time. There were some issues early on, because of a policy that needed to be rewritten to include language for this type of company. That has all been done and I am here to ask that CICWCD enter into an agreement refunding 79% of their taxes for 9 years. 69% would go back to the company and 10% of this amount will go to the housing authority (RDA), based on new State Code/Law. They have to meet certain standards each year to qualify for this tax reimbursement. The annual effect this would have on the Conservancy District is \$815.57.

We are thankful that we were able to keep this company here. They were looking into moving their company to the mid-west. ▪Hartley-Expressed her appreciation for the hard work that Danny has put into this project, setting up the matrix to be used by future businesses and keeping this company here, when they were pretty set on leaving.

▪Board Member Hartley moved to approve the Interlocal Agreement by and between the Cedar City Redevelopment Agency and the CICWCD for the Décorworx Project. Second by Board Member Stratton. Motion Unanimous at 7:23 PM. (58:50)

WAH WAH AND PINE VALLEY: UPDATE & DISCUSSION:

▪Monroe-Just a quick update, the public scoping portion of the public comment for the EIS closed at midnight last night. I spoke with the BLM today and they received 95 comments. I feel like these comments will give us items that we will be able to address over the coming year as we move into the next phase of the EIS. ▪Nielsen-Went over the Pine Valley Gantt Chart. It is Ensign's hope that by reducing the lines, and color coding the chart, it will be easier to follow and give a better picture of where we are at in the West Desert processes. (1:03:35)

ENOCH CITY BULK WATER CONNECTION: CONSIDER APPROVAL OF THE BULK WATER SERVICE AGREEMENT BETWEEN CICWCD AND ENOCH CITY:

▪Monroe-Said that Enoch City had a need for some water a couple months ago. With the bind they were in, we were happy to help them. However, now we need to have an updated agreement in place. ▪Dotson-Said that Enoch had a well go down. There was an established connection with Enoch City already, we were able to talk with Tracy and get the issues with pressure figured out, and quickly supply water. Enoch does have the well back up and running, and we should be set for next spring. Enoch has other options that we are looking into for future needs, but we would like to express our thanks for the help from Paul and Tracy.

This agreement will stay in place in the event of an emergency on either side. The way it is set up, if there was ever a need Enoch would be able to supply water to the District as well.

▪Monroe-we have been grateful for the opportunity we have had to work with Enoch and build a relationship there.

▪Board Member Stratton moved to approve the Bulk Water Service Agreement between CICWCD and Enoch City. Second by Board Member Hartley. Motion Unanimous at 7:35 PM. (1:11:50)

PUBLIC COMMENT: ▪Hunter-At this time I would like to recognize our new County Commissioner and congratulate her. ▪Wood-Said that she appreciated the public support through the election, and she is excited to get going. ▪Cozzens-Had some questions about supplying the iron mine, as it is in a different water basin. Has there been any further discussions on developing a water source in basin 71, where the mine is actually located? ▪Monroe-Said there are some preliminary plans that would include a water source in that basin, along with a tank. Like I said, this is in the planning stages, and we are working on a grant to hopefully receive some funding for that project. ▪Cozzens-I'm also curious if there is any timeline as to when there will be a water line going down Iron Springs Road? ▪Monroe-We need some more involvement from the developers in that area. (1:15:45)

Rob Dotson left at 7:39PM.

CHEKSHANI CLIFFS: UPDATE & DISCUSSION: ▪Monroe-Said we are moving along. We are waiting on our prairie dog approvals through USDA. We are currently drilling the well. We are currently down to 800 feet, things look promising. Originally, we drilled it with 16" boar and then we will go in with a 28", then do a 12" casing with a lot of gravel pack around it. That is the master plan for that well. We are hoping to be able to supply water around the first of the year. Of course, a lot of that will depend on studies that we are waiting for from the USDA. (1:21:33)

CEDAR HIGHLANDS: UPDATE & DISCUSSION: ▪Monroe-Said we have found some good water at the upper spring. At the lower spring they hit the main spring line, but that ultimately resulted in a big blessing, when we uncovered the line to repair it, we found several leaks that we were able to repair. It should improve our water flow about 10 GPM. (1:23:46)

AQUIFER RECHARGE: UPDATE & DISCUSSION: ▪Monroe-Said we are moving forward on the Quichipa project. The BLM is in favor of us moving forward with the project. They are going to see if they can remove some of the tamaracks in September. I have been in contact with Brad Shmutz, we discussed extending the dyke up into his property a little. We just asked him to contemplate the impacts that he would have. I told him also that we would like to partner with him and potentially pay for some of the tamarack removal on his property, where we would like to store that water. He did think that would be a good idea, and he thought the best idea would likely be a short-term agreement. Then at that point he might be willing to sell that portion of ground to the District, because it is located in that floodplain area making it undevelopable. I'm encouraged that he will be easy to work with. We are waiting for the official sign off from the BLM and should be able to move forward. ▪*Discussion on the wells in that area lasts for several minutes.* (1:30:23)

WATER CONSERVATION: UPDATE AND DISCUSSION: ▪Monroe-Said if you have been on Social Media you have probably seen the work that Jess has been doing. Since we were unable to hold our yearly Water Festival, Jess has put together an event to engage the youth through some art contests. This is being funded by the sponsorships we received for the festival,

those sponsors asked that we put the funds towards and educational public interactive event. (1:32:05)

DISCUSSION OF GROUNDWATER MANGAGEMENT PLAN AND LOCAL WATER

RIGHT CHANGES: ▪Monroe-Said nothing has really moved forward yet. Things are pretty backed up in Salt Lake with the new State Engineer. (1:33:57)

GENERAL MANAGER'S REPORT: OPERATIONS & PUBLIC EDUCATION: ▪Monroe-

Said operations have been busy with the Enoch Connections, Cedar Highlands, etc. He commended Feltner, McKee and Sommy. He discussed the Iron Leaders Training. He went to the first meeting last week. I look forward to working with those members of the community. I think it is very well put together and I appreciate the Board's support on that. (1:36:35)

BOARD MEMBER REPORT: ▪Hartley-Asked if the district owns any water rights in springs in Cedar Canyon, North of Cedar Highlands. ▪Monroe-Said that we don't own any in that area. ▪Crane-Said that Cedar City mostly owns most of that water. ▪Hunter-Said the city has a pond up above the Woods Ranch. There are a few local owners of water there, but I believe it is mostly Cedar City. (1:38:23)

ENGINEERING REPORT: UPDATE AND DISCUSSION: ▪Crane- Stated that he and Jessica have been working very hard on straightening out all of the Districts water rights. Clean up should be completed and moving forward we feel confident that we have caught and corrected everything. We have a process set in place at this point, we feel this is working very well, it takes a little more time, but it reduces the risk for the District. ▪Monroe-Thanked the staff members and board members. (1:41:25)

Next meeting date: August 20th, 2020.

Board Member Jones motioned to close the regular session and go into a closed session for contracts, imminent litigation, or acquiring real property and/or water rights. Second by Board Member Hartley. Motion unanimous at 8:05 PM. (1:42:10)

Roll Call as follows:

Jones-Aye

Stratton-Aye

Hartley-Aye

Hunter-Aye

Board Member Jones motioned to adjourn the closed session and resume regular session Board Meeting. Second by Board Member Stratton. Motion unanimous at 9:11 PM.

▪Board Member Jones moved to increase the budget and enter into an additional contract with Transcon Environmental for the cost of \$28,710.00. Provided on a not to exceed basis Second by Board Member Hartley. Motion Unanimous at 9:12 PM. (2:49:07)

Board Member Jones motioned adjourn the regular session Board Meeting. Second by Board Member Stratton. Motion unanimous at 9:12 PM.

Meeting Adjourned at 9:12 PM.