

Central Iron County Water Conservancy District
Board Meeting Minutes
June 17, 2021



Board Members

Brent Hunter-Chairman
Tyler Melling
Joel Myers
David Harris
Tyler Allred
Terri Hartley

District Staff

Paul Monroe-General Manager
Mandi Williams-Office Manager
Tracy Feltner-Water Operator
Jessica Staheli-Public Outreach
Curtis Neilson-District Engineer
David Shinost-Water Operator
Kelly Crane-District Engineer

Others in Attendance

Brenda Jarvis – Monarch Meadows
Jim Jarvis – Monarch Meadows
Greg Bourgeois – Monarch Meadows
Paul Cozzens – County Commission
Marilyn Wood – County Commission

CALL TO ORDER: •Board Member Hunter called the meeting to order at 6:31 PM. Mandi Williams lead the Pledge of Allegiance. Curtis Neilson offered the invocation. **(6:37)**

DECLARATION OF ABSTENTIONS AND/OR CONFLICTS OF INTEREST BY BOARD MEMBERS: •None. **(6:52)**

CONSIDER APPROVAL OF MINUTES FROM THE BOARD MEETING HELD MAY 20, 2021 AND THE SPECIAL BOARD MEETING HELD MAY 27, 2021:

Board Member Harris moved to approve the minutes from the Board Meeting held May 20, 2021 & Special Board Meeting held May 27, 2021. Second by Board Member Myers. Motion unanimous 6:33 PM. (7:15)

CONSIDER APPROVAL OF PAYMENT OF BILLS AND ADJUSTMENTS MAY 14, 2021 THROUGH JUNE 10, 2021: •Williams- Said there weren't many expenditures out of the ordinary. On page 4 there was a large power cost for the mine. •Monroe-Said monthly billing to the mine was \$25,000. They are full speed ahead and we have basically every well on. •Feltner-said the 3 on the west side are probably 65%. •Hunter-Said it is kind of scary, hopefully there isn't a fire. •Williams-Said during this month and next month there will be a lot of expenditures on the visa card due to the Water Festival.

Board Member Harris moved to approve the payment of bills and the adjustments register from May 14, 2021 through June 10, 2021. Second by Board Member Hartley. Motion Unanimous at 6:36 PM. (10:05)

•Williams-Went over the transaction register. There was one large security deposit refund for a water right. •Monroe-Said this is basically a bond for the water right if the customer is in a hurry. Once the water successfully goes through the process, the deposit is refunded.

REVIEW 2021 FINANCIALS: ▪Monroe-Highlighted the water revenue which is higher for this time of the year. This is mostly from the mine. Our revenue will be higher for a lot of reasons, firstly because of the mine and secondly because of the drought. He then went over the public relations line. Most of our campaign expenses are completed. We are about \$4,000 over budget. We had authorized \$30,000 for the campaign, and then our consultant has a fee where she is donating 50% of her time, and the other 50% is billed. There will be a little bit more continued though that. We have more than doubled our presence on social media and other things. Encourage you all to share them particularly right now with the drought issue. We need to educate the community about our water issues and the solutions we have.

▪Melling-Asked if how much water the mine is using. ▪Feltner & Williams-Said approx. 11 million gallons last month. ▪*There was some discussion regarding the mine for several minutes.* ▪Monroe-Said they asked if they could use another 1000 gallons per minute. He responded no because the pumps we have wouldn't be able to supply that. Additionally, there would be more water rights. He will meet with them next week about it. CML was using 13-14 million gallons a month and now they are using 9-11 a month. They are using less, but it is not quite 50% lower.

▪Monroe-Said interest revenue is probably under budgeted right now because rates are low. Everything on the capital side is pretty normal. ▪Myers-Asked where the mine water comes from. ▪Monroe-Said they are just in our regular distribution center. We need to drill a well in Basin 71 to supply the mine with water. ▪Hunter-That is where their water rights are. ▪Monroe-We need to keep that revenue so that we can drill that well. The problem is it is a volatile industry and seems to go but not last long. If they need another 1000 gal/min then this might be a perfect opportunity to put in the new well. (20:53)

CONSIDER THE RESOLUTION TO ADOPT FINAL TAX RATE FOR TAX YEAR

2021: ▪Monroe-Said this is the tax rate that is established from the county. This is so we receive the same amount of revenue plus growth. We have to adopt this in order to get our tax funding next year. The total amount there is .000474, so that rate has continued to drop for the past ten years because we continue to grow. ▪Myers-Asked how the rate is determined. ▪Hunter-Said the district can petition to raise the rate. The District has authority by law to more than double the tax rate. (23:49)

Board Member Harris moved to adopt the Resolution to Adopt Final Tax Rate for Tax Year 2021. Second by Board Member Melling. Motion Unanimous at 6:50 PM. 23:54)

CONSIDER THE APPROVAL OF RESOLUTION NO. 2017-6-17 DROUGHT RESPONSE PLAN AND IMPLEMENTING WATER CONSERVATION MEASURES:

▪Monroe-Read over the resolution. Resolution A establishes a drought response committee with a member from the District board, from the agriculture industry, from Cedar City, from Enoch, and from the Water Advisory Committee. Resolution B takes a more active role. Resolution B limits watering turf to 2 times per week, encourages community members to participate in the free water-check program, encourages state prioritization efforts (trees, shrubs, perennials, annuals, and lastly turf), states that the District will meet with stakeholders to review areas of turf that can be converted into xeriscape, and states the District will review water and landscape ordinances. ▪Melling-Said if we were to make a drought response committee, we would want to

clear that with the other entities involved first. Resolution B could unilaterally be passed. The only issue with resolution B is the removing of park-strips, because the park-strips play a role in slowing down traffic and making the roads safer for drivers and pedestrians. •Monroe-Said counties have been participating in a “flip your strip” campaign, where they remove the turf from the park-strips and replace it with something more sustainable. •Melling-Said resolution B could pass if we were to change “removing park-strips” to removing turf in park-strips” and if we included that we will urge our community members and stakeholders to form a drought response committee. (38:55)

Board Member Harris moved to adopt Resolution No. 2017-6-17-B Drought Response: Implementing Water Conservation Measures subject to the 2 changes (park strips & drought committee) that were discussed. Second by Board Member Melling. Motion Unanimous at 7:06 PM. (39:51)

REVIEW RESOLUTION NO. 2014-1-16 REVISION 6 A RESOLUTION ADOPTING AND AUTHORIZING FEES AND SERVICE CHARGES: •Monroe-Said he failed to excuse Spencer Jones. He was unable to make it to the meeting tonight. After talking with Spencer, we both thought it would be a good idea to table the resolution because of the increase in impact fees and the increase in the rate schedule that are proposed. I haven’t approached the Home Builders Association with that yet. It is my recommendation that we table it. We are proposing an increase in our connection fees to account for the increase in cost of materials. Impact fees will be increased from \$3,500 to \$5,500. There will also be a 3% increase for regular tiers. A few larger increases for commercial or agriculture. Agriculture will be charged for the lowest tier on the water rate schedule, which is \$0.80/1,000 gallons. There are a couple of changes in the language on how we accept water rights. A regular lot will require 1 acre-foot and we are proposing that a 4k lot require 0.35 acre-feet, the same as our recommendation for the 4-8 unit complexes. A guest home that is greater than 800 sq ft will require an additional .45 acre-feet. The customer will be responsible to bring in additional water rights if their use exceeds the .35 or .45 acre-feet we are recommending. (58:05)

Board Member Harris motioned to close the regular session and open the public hearing regarding Resolution No. 2014-1-16 Revision 6 A Resolution Adopting and Authorizing Fees and Service Charges. Second by Board Member Melling. Motion unanimous at 7:25 PM.

PUBLIC HEARING OF RESOLUTION NO. 2014-1-16 REVISION 6 A RESOLUTION ADOPTING AND AUTHORIZING FEES AND SERVICE CHARGES: •None. (1:01:05)

Board Member Harris motioned to close the public hearing regarding Resolution No. 2014-1-16 Revision 6 A Resolution Adopting and Authorizing Fees and Service Charges and resume the regular session. Second by Board Member Melling. Motion unanimous at 7:27 PM.

CONSIDER APPROVAL OF RESOLUTION NO. 2014-1-16 REVISION 6 A RESOLUTION ADOPTING AND AUTHORIZING FEES AND SERVICE CHARGES:

Board Member Harris motioned to table the approval of Resolution No. 2014-1-16 Revision 6 A Resolution Adopting and Authorizing Fees and Service Charges. Second by Board Member Melling. Motion unanimous at 7:28 PM.

PUBLIC COMMENT: ▪J. Jarvis-Said water is being puddled and the common area of Monarch Meadows is using a large amount of water. ▪ Bourgeois-Said he was a master gardener in Las Vegas. The grass in the common area is dead and will need to be reseeded. The extra water being used on all of the dead grass is just going to waste. ▪Melling-Said we try to set policies about watering to make sense. 4 acres of grass requires a lot of water on just a 1” connection. Our hope is that the prices we set will incentivize the board to be responsible as their bill gets bigger and bigger. We set the policy, but we cannot get involved in private affairs. We do not have any penalties for bad watering practices for now. ▪ Bourgeois-Asked if the District has it in your power to write a letter to the HOA stating that some of the residents have approached the board with complaints about the water usage? ▪Monroe-Said we can send a letter out. We can also conduct a water check to get them a recommended watering schedule if the HOA board is willing. We could remind them about the water rights that need to be transferred for that amount of water being used. ▪Mandi-Said our intern will reach out to his contact to schedule a water check. ▪Greg-Said he thinks the June bill will be doubled. ▪B. Jarvis-Said when the governor said let it die, why are we revitalizing? Monroe-Said I think we can include our resolution in the letter as well. (1:09:54)

CHEKSHANI CLIFFS: DISCUSSION AND UPDATE: ▪Monroe-Said everything is finalized there. Neilson-We got their construction submittals, we just need to receive the pre-construction paperwork. ▪Monroe-Said we have a nice Conex box wellhouse. (1:12:02)

Jarvis' and Bourgeois left at 7:35pm.

SUNSET SUBDIVISION (HOPE & HENRY’S PLACE): UPDATE & DISCUSSION:

▪Monroe-Said the Vandenberghe well is running at 850-900 gpm. The quality reports came back and looks pristine. Everything is good, the only thing we can’t do is camera the well as they are using it currently this summer. I feel good about it. It’s not that old of a well and we’ve already purchased the pipe. ▪Allred-Said even if we have to re-sleeve the whole thing it will still be less expensive than drilling a new well. ▪Melling-Said if it is bad, at what point does that start showing up in the water quality? Monroe-Said The worst-case scenario is iron bacteria. He does not think there have been any city wells (from that bumblebee area) that have tested positive for iron bacteria. (1:15:00)

WATER IMPROVEMENT PROJECT 2021: UPDATE & DISCUSSION:

▪Crane-Said we have been waiting on fish and wildlife service about surveys, and she finally responded to us. We are making a little progress. Hopefully that will be sent to USDA soon. I spoke with Heath, if we can get it in this year then there would probably be enough money for the project. But worst-case scenario next fiscal year there will be enough. ▪Monroe-Said this year there is funding. Worst-case would be a couple of months from now. ▪Crane-Everything is expensive right now, but ideally, we’d like to be bidding in the middle of the winter. ▪Monroe-Said next year the

government has already authorized all of the covid funds. There may be more grant available if we wait until October. (1:18:00)

PINE VALLEY WATER SUPPLY PROJECT: UPDATE & DISCUSSION: ▪Monroe-Said we got the EIS back from the state. We made a few adjustments. Timewise they will resubmit it and it will go back to the public registry. We are probably 4 months behind schedule, but it is still moving along. We would probably have a record of decision April of next year depending on the public comments we get. LPP is delayed about a year due to public comments. (1:19:50)

WATER CONSERVATION: UPDATE AND DISCUSSION: ▪Monroe-Said we have the Water Festival on June 26th. We will have several different booths. We'd like for you to come and help educate the public. You'd get a free hotdog thanks to Ensign Engineering. It will be a good place to show our community our solutions. People are getting involved because of the drought. ▪*There was some discussion about the drought.* (1:25:12)

AQUIFER RECHARGE: UPDATE & DISCUSSION: ▪Monroe-Said we are finalizing putting some of our pumps out at Quichipa lake. Kendall Holt is talking about taking the surface water coming down and having an entity like ours recharge and allow ag producers to pull it back out. The farmers could use the surface water. ▪Crane-Said our water right is low priority. ▪Monroe-We never applied for recovery, but we could. The State prefers that we just recharge. Kendall wants to put the surface water into the ground and be able to draw out what was put into the ground in a different area. ▪Melling-Said it was a little above my understanding, but essentially you are converting everyone to sole supply water rights instead of the supplemental rights. They thought an entity would be better able to do that rather than the irrigation companies. (1:32:04)

REUSE WWTP WATER: UPDATE & DISCUSSION: ▪Monroe-Said we are still working with the NRCS to construct a pond and deliver wastewater to the ag producers north of here. There has been a lot of ideas talked about in the community right now. We have the potential of a grant for the project, but there are a lot of other ideas out there. The surveys would all be done by the NRCS. It would be 75% grant. The cost would potentially be just for the pipe and the plumbing, which would be around a couple million dollars. That cost is a little old. ▪Melling-That was one of the things Cedar City was looking at. We were thinking to build a bank we would have to line it. ▪Monroe-Said he didn't know. We would need to do more studies with the NRCS. Other engineering firms will probably tell you that you need to do that. Once you start using federal funds you have to abide by more rules. ▪Melling-Said from a decision-making standpoint he is looking for what exactly can we do and what are the restrictions. At some point it will make sense to convert this water into usable water, but he would like to postpone that because of cost. ▪Monroe-I don't think it is going to cost us at this point to continue to move forward. It's like our participation in the Lake Powell Pipeline. It didn't cost us anything for a while and then we were out as soon as they said it would cost us. ▪Melling-Said at this stage with the conservancy district moving forward, we are not obligated to anything in the future. ▪Monroe-Said he spoke with the mayor to discuss what strings are attached. At what point do we need to start paying things back. ▪Harris-Said Enoch would like their share of that wastewater to utilize for their interest. (1:42:32)

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

Said our operators are busy. We are looking at hiring another summer worker. Our guys are busy with construction within our water system. He expressed his appreciation for them.

Public education is extremely busy. We have had a lot of good results. Much of that is due to the current issues we are facing. We have a climax of an opportunity to really focus in on the big picture of water. It is our chance to really make a big movement in the direction that we want to go. Most of our public is concerned about the drought, and we now have our developers' ear thanks to Cedar City. ▪Hartley-Said it got the developers attention when the city said no more paying for water, you have to renew. ▪Melling-Said it came with a double whammy of actual use numbers as well. It is a good opportunity to have discussions about where we are going, how things are getting done, and who is paying for everything. ▪Monroe-Said the developers are recommending that the city needs to be the one who purchases the water rights, and they need to use their power of eminent domain. Whether those water rights come from a farmer or a developer it will be tedious. There are many things they'll need to research.

We are in a really good opportunity to discuss the things that we need to. Now is the time for the Board to come together and do this. We can showcase the things we've been doing for the last 15 years. We are coming up with proactive solutions. **(1:56:50)**

BOARD MEMBER REPORT: ▪None. **(1:57:08)**

ENGINEERING REPORT: UPDATE AND DISCUSSION: ▪None. **(1:57:12)**

▪Monroe-said we have the SUU Farm tour on June 22nd. The governor is coming in August to visit and check out the research as well. ▪Mandi-We did the restructure of the executive committee. Some e-documents were sent out to Brent and David to sign for that.

Next meeting date: July 15th, 2021

Board Member Harris motioned adjourn the regular session Board Meeting. Second by Board Member Melling. Motion unanimous at 8:26 PM.

Meeting Adjourned at 8:26 PM.