

Central Iron County Water Conservancy District  
Board Meeting Minutes  
May 21, 2019



**Board Members**

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

**Others in Attendance**

Joe & LaDonna King – Chekshani  
Michael & Julianna Stratton – Chekshani  
Robert Ramirez – Chekshani  
Becky Moore & Brad Halverson – Chekshani  
Tony & Laurie Borski– Chekshani  
Tony & Cynthia Damiano – Chekshani  
Paul Cummins – Chekshani  
Ray & Sharon Sadd – Chekshani  
Stephen Burns – Chekshani

**District Staff**

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

**Others in Attendance: (electronically)**

Rick Roberts-Kimball&Roberts  
Gabe Miller-Kimball&Roberts  
John Rehring-Carollo Engineering  
Bill Tubbs – Chekshani  
Murice Brown – Chekshani

*(Other Chekshani Residents were in attendance electronically, but their names were not taken).*

**CALL TO ORDER:** •It was decided that Board Member Harris would act as chair of the meeting as the only executive committee member physically in attendance at the beginning of the meeting to improve efficiency. •Board Member Harris called the meeting to order at 6:40 PM. Joel Myers lead the Pledge of Allegiance. Paul Monroe offered the invocation.

**DECLARATION OF ABSTENTIONS AND/OR CONFLICTS OF INTEREST BY BOARD MEMBERS:** •None. **(3:40)**

**CONSIDER APPROVAL OF MINUTES FROM THE BOARD MEETING HELD MARCH 19, 2020:**

•Board Member Myers moved to approve the minutes from the Board Meeting held March 19, 2020. Second by Board Member Hunter. Motion unanimous 6:43 PM. **(4:03)**

**CONSIDER APPROVAL OF PAYMENT OF BILLS AND ADJUSTMENTS MARCH 12, 2020 THROUGH MAY 14, 2020:**

•Williams-Went over the payment of bills. She highlighted the payment made to AllChem for chlorine tablets. There was a payment to Moyal Irrigation for the Jone’s pipeline. There were some impact/connection fees returned. There was a payment for a new trailer. Some large payments were made to the Division of Water Rights for water right clean-up. Yearly payments to the State Engineer for the water assessment monitoring. There was an unexpected surface recharge monitoring payment.

She went over the transactions register. Many customers signed up for paperless billing. There were some account clean-ups and a few late fees reversed. **(7:14)**

**REVIEW 2020 FINANCIALS:** ▪Williams-Said the professional and technical line was somewhat out of the ordinary because of paying Ensign Engineering for a lot of work that was not project specific. She went over the water assessment monitoring. She went over grants for the EIS, the Cedar Highlands Spring Project, and Agricultural Optimization. ▪Monroe-Said that he wouldn't be surprised if the Agricultural Optimization Grant would be changed due to COVID-19 circumstances.

*Tom Stratton arrived at 6:47PM.*

**▪Board Member Myers moved to approve the payment of bills and the adjustments register from March 12, 2020 through May 14, 2020. Second by Board Member Hartley. Motion Unanimous at 6:49 PM. (10:45)**

**REVIEW THE AUDIT OF 2019 FINANCIAL STATEMENTS: BY KIMBALL AND**

**ROBERTS, PC:** ▪Roberts-Said they were able to express an unqualified opinion that the financial statements referred to above in the report were presented fairly, in all material respects. He went over the Management's Discussion and Analysis. The District decreased its bonds by \$620,000. He went over the statement of net position compared to last year. The net increase of 2019 was \$1,093,000. The cash increase was \$187,000. He went over the total liabilities and stated that the total debt outstanding is \$8,009,708. He went over the basic financial statement. The unrestricted cash is \$4,360,661. The restricted cash is \$680,000 for bond reserves. He went over the net pension liability. The total water sales increased. The non-operating revenue was \$2,224,554. Your net change and net position was \$1,263,000. He then went over the statement of cash flows, and that there was a decrease in cashflow. Grant and property tax revenue increased. He went over the capital assets and interest revenue.

▪Miller-Went over the notes to the financial statements. He went over the cash flows in the restricted, unrestricted, and the state treasurer's pool. He went over the custodial risk, in terms of the risk of those deposits. \$1,977,526 of the District's bank balances of \$2,227,526 was uninsured and uncollateralized because of bank restrictions. He went over the capital assets. There were amounts added and amounts deleted because of the west desert water right costs were capitalized in 2019. Construction and progress still stand at \$2.3 million. He went over the debt amounts and bond reserves. Most of the reserves are fully funded. He then went over the compliance section. He stated that during the audit they did not identify any deficiencies in internal control that they consider to be material weaknesses, they may exist but have not been identified. He went over the auditor's report on state compliance. There was one finding which was that the governing body was not provided with annual training on the requirements of open and public meetings. That was the only recommendation. ▪*There was some discussion between the board members and auditors in regard to the District's bond rating.*

▪Hartley-Wondered about using multiple banks to help the cash balance that is uninsured and uncollateralized due to the current economic circumstances. ▪Harris-Said it may be risky to move the money to many different banks. ▪Hartley-Wondered about the possibility of just splitting it between 2 banks. ▪Harris-Said there may be ways to split it in the same banks. ▪Monroe-Mentioned the PTIF fund. The District's checking account is with State Bank of Southern Utah.

▪There was some discussion in regard to this topic for several minutes. ▪Harris & Hartley- Expressed appreciation to staff for having no real findings in the audit. (32:05)

**CONSIDER THE APPROVAL AND ACCEPTANCE OF THE AUDIT OF 2019 FINANCIAL STATEMENTS:**

**Board Member Hunter moved to approve and accept the Audit of the 2019 Financial Statements. Second by Board Member Myers. Motion Unanimous at 7:11 PM.**

*Rick Roberts and Gabe Miller left the meeting.*

**PUBLIC HEARING REGARDING THE ESTABLISHMENT OF AN ASSESSMENT AREA FOR THE CITIZENS OF THE CHEKSHANI CLIFFS AREA:**

**Board Member Stratton motioned to close the regular session and go into a Public Hearing regarding the establishment of an assessment area for the citizens of the Chekshani Cliffs Area. Second by Board Member Myers. Motion unanimous at 7:12 PM.**

▪Monroe-Explained that the District is following state statute to establish an assessment area. The District has sampled many wells around the area. Through this due diligence they feel like they have found a good location for a new well. The District will split the cost 50% with the community. There are 70 lots in the community, and 1 more lot near the community that will be included in the assessment. Once the public hearing is finalized, there is a 60-day protest period. If 40% of the community protests, it will kill the project. Payments can be 10 year at 5% loans, or community members can pay upfront. The District is working with a local well driller to drill the well and are working on a contract for that. The prairie dog survey begins in June. We are hopeful to start things in August, but things could change due to COVID-19. We are waiting for August 1<sup>st</sup> because that is the end of the protest period. The District is hopeful about receiving a 30% grant for the project to reduce the cost. After the public hearing, the Board will create a Board of Equalization. ▪Laurie Borski-Asked if the grant will apply to just the District. ▪Monroe-Said the grant will apply to both the community and the District. ▪Borski-Asked why this was not done last year? ▪Monroe-Said the District was doing more due-diligence to find the best option for the area. ▪Borski-Asked if the District is expecting any subsidence after drilling a well. ▪Monroe-Said that there isn't any anticipated subsidence, but it is an unknown. ▪Feltner-Said the current well has been very consistent for many years. ▪Borski-Asked about using the old well. ▪Monroe-Said the District will keep the old well but will only use it in emergency situations.

▪Brent Hunter left the meeting electronically.

**Board Member Myers motioned to close the Public Hearing regarding the establishment of an assessment area for the citizens of the Chekshani Cliffs Area and reopen the regular session. Second by Board Member Hartley. Motion unanimous at 7:22 PM. (43:23)**

**CHEKSHANI CLIFFS: DISCUSS & CONSIDER THE APPROVAL OF AN AGREEMENT TO PURCHASE A WELL IN CHEKSHANI CLIFFS:**

▪Monroe-Described the agreement with the well drillers for the new Chekshani Well. It is with new Harmony Ridge LLC. They will tentatively drill the well, and then the District will purchase the well. He asked

for a soft approval of the agreement, as they may need to add it into the funding applications.

▪Myers-Said it was a good idea to approve it and move forward with the project, but not make it absolute in case there are any needed changes. Harris-Agreed and said if there were any changes it could be discussed at later date.

**Board Member Stratton moved to approve the agreement to purchase a well in Chekshani Cliffs with the understanding that staff may modify the agreement before it is actually signed. If there are any significant changes it will be brought back to the Board. Second by Board Member Myers.**

▪Hartley-Asked about the dollar amounts on the agreement. ▪Monroe-Said that the amount is being coordinated between the driller and the District. There are a lot of unknowns on cost when drilling a well. ▪Stratton-Asked if there is an anticipated gallons/minute(gpm) for the new well. ▪Crane-Said 150-300 gmp would be an ideal well for the community and would provide for future buildout of the subdivision. The well near the new wells potential location is getting about 1000 gpm. ▪Monroe-Said the design of the well has been done very well to help eliminate issues. ▪Crane-Said if there was significant growth in the area, we could retrofit the well and provide water to others. ▪Chekshani Customer-Asked if the Chekshani residents will have to go through another assessment area to enlarge the well if another community connects in the future. ▪Crane-Said that the Chekshani residents are taking care of what they need now, if another community needs to connect, then they will have to go through the assessment, not Chekshani. ▪Tony Damiano-Asked if the well does not perform, who bears that risk? ▪Monroe-Said the District is bearing the risk. ▪Chekshani Customer-Asked if the District goes out to bid. ▪Monroe-Said usually, yes for projects we are constructing. In this instance, the District was able to get a price that is drastically less by purchasing a well rather than going to bid to drill a well. This is due to USDA funding requirements. ▪Wayment-Said the District is also getting easements, access, and protection zones through this agreement with the well driller as well, since the well will be on his property.

**Motion Unanimous at 7:34 PM. (55:11)**

**CHEKSHANI CLIFFS: DISCUSS & CONSIDER THE APPOINTMENT OF INDIVIDUALS TO A BOARD OF EQUALIZATION AS PROVIDED IN SECTION 11-42-20 FOR THE ASSESSMENT AREA OF THE CHEKSHANI CLIFFS AREA:**

▪Monroe-Said that the Board needed to appoint three members to a Board of Equalization. There will then be three consecutive days to meet for the public to come and discuss any problems they may have with the project. The meetings will be at the District for an hour each day.

**Board Member Myers moved to appoint Tom Stratton, David Harris, and Paul Monroe to a Board of Equalization as provided in Section 11-42-20 for the Assessment Area of the Chekshani Cliffs Area. Second by Board Member Hartley. Motion Unanimous at 7:37 PM. (58:35)**

**CEDAR HIGHLANDS: UPDATE & DISCUSSION:** ▪None. ▪Monroe-Thanked the Chekshani Residents for coming to the Public Hearing.

*Chekshani Residents left the meeting and Hunter arrived at the meeting in person at 7:39PM.*

**4B RANCH SUBDIVISION: CONSIDER RESCINDING THE 2020-3-19 APPROVED INTERLOCAL AGREEMENT BETWEEN CEDAR CITY AND THE DISTRICT FOR THE 4B RANCH DEVELOPMENT SUBDIVISION & CONSIDER APPROVAL OF THE 2020-5-21 INTERLOCAL AGREEMENT BETWEEN CEDAR CITY AND THE DISTRICT FOR THE 4B RANCH DEVELOPMENT SUBDIVISION:**

**Board Member Harris moved to rescind the 2020-3-19 approved Interlocal Agreement between Cedar City and the District for the 4B Ranch Development Subdivision and approve the 2020-5-21 Interlocal Agreement between Cedar City and the District for the 4B Ranch Development Subdivision. Second by Board Member Hartley. Motion Unanimous at 7:40 PM. (1:01:35)**

**WATER ADVISORY COMMITTEE REPORT OF RECOMMENDATION: CONSIDER APPROVAL OR ADOPTION:** ▪Monroe-Said David Tufte from the WAC was not able to make it to the meeting. He would be able to come next month. Many from the committee stated that they really enjoyed it and thanked us for the knowledge that they gained. There were some great presenters. For the report they had some public campaign ideas and expressed the need for the public to learn about water. The report mostly tells the District to keep going down the path it is going. We would like to include it in our master plan. ▪Hunter-Asked that we invite the members to come to the meeting next week when we can approve the report. (1:05:21)

**Board Member Hartley moved to table the adoption of the Water Advisory Committee Report of Recommendation. Second by Board Member Myers. Motion Unanimous at 7:44 PM.**

▪Monroe-Said that staff had discussed giving gift cards to the committee as a thank-you gift. We would keep it under the typical threshold. ▪Hartley-Wondered about the legality of taking out money from a taxpayer entity and having the money be somewhat unaccounted for. ▪Monroe-Said they have discussed it before and have approved it because it is under our specific limit of \$50, and it will be recorded as going to a specific list of people who donated a lot of their time to the committee.

**Board Member Hunter moved to approve the purchase of gift cards under the limit of \$50 for the members of the Water Advisory Committee as a thank you gift. Second by Board Member Hartley. Motion Unanimous at 7:49 PM.**

**CHEKSHANI CLIFFS: DISCUSS AND CONSIDER THE APPROVAL OF UTILIZING MARK BURR OF PRIMARY WATER TECHNOLOGIES TO LOCATE A WELL IN THE CHEKSHANI CLIFFS AREA:** ▪Monroe-Brought up the discussion about Primary Water

Technologies. It will cost about \$2000 for them to locate the well. They use passive seismic technologies to locate water under the ground. ▪Myers-Said it is the same idea as how they find oil in the ground. ▪Monroe-Explained the process that they use. It is basically 1% of the cost of the well. ▪There was continued discussion in regard to water-witching and locating wells. ▪Hunter-Suggested that it may be a good idea to have Dilworth Armstrong locate the well also. ▪*There was continued discussion for several minutes.*

**Board Member Myers moved to approve the utilization of Mark Burr of Primary Water Technologies and Dilworth Armstrong to locate a well in the Chekshani Cliffs Area. Second by Board Member Stratton. Motion Unanimous at 7:59 PM. (1:20:25)**

**WATER NEEDS ASSESSMENT AND FINANCIAL BUSINESS PLAN: CONSIDER APPROVAL OR ADOPTION:** ▪Monroe-Introduced John Rehring from Carollo Engineering. He said that we have now included comments from the BLM, Cedar City, Enoch City for this newest final draft. ▪Rehring-Went over the presentation attached to these minutes. (1:35:20)

▪Hunter-Asked who received the report. ▪Monroe-Said the cities received it and received a presentation of the report a while back. There have been a few changes since that time per recommendations of the cities and others. ▪*There was some discussion in regard to the cities and the possibility of them adopting the report.* ▪Monroe-Said that it doesn't include everything because there are lots of unknowns, but it is a good model. ▪Hunter-Said it is part of our mission to get the more information so we can help the community. It isn't realistic to buy all the water rights from the ag. ▪Hartley-Said there are some decisions to be made. Does the community decided to keep buying agricultural water or do they conserve the money because there isn't enough agricultural water to provide for all the growth? ▪Stratton-Said some of the agricultural people may not be willing to sell the water. ▪*There was discussion in regard to agricultural water for several minutes.* ▪Hartley-Asked at what point to you quit acquiring and provide for the growth with importation? ▪Hunter-Said that our mission with the project seems to be to get things approved and shovel ready so that we can do the project when it is needed by the cities and community. ▪Monroe-Said that the District has shared resolutions of support with Enoch City and Cedar City. ▪Harris-Said Enoch City passed the resolution of support the night before at their meeting. ▪Monroe-Said it has been shared with Cedar City, and he asked Hartley to discuss it with the rest of the Cedar City Council.

**Board Member Stratton moved to adopt the Water Needs Assessment & Financial Business Plan. Second by Board Member Myers. Motion Unanimous at 8:22 PM. (1:42:58)**

*John Rehring left the meeting.*

**PUBLIC COMMENT:** ▪Monroe-Introduced Achebo to the Board of Directors. He started as an intern in our office and is now working in the field with our Water Operators. ▪*There was discussion for several minutes.* (1:47:21)

**WAH WAH AND PINE VALLEY: UPDATE & DISCUSSION ON PINE VALLEY WATER SUPPLY AND CONSERVATION PROJECT:**

▪Monroe-Said the District is continuing work on the EIS. The NOI is scheduled for July 1<sup>st</sup>. They are working on hydrologic modeling and its effects on spring snails. They are working on sage grouse studies. There may be some mitigation by providing some water for the sage grouse. This will kick off the 1-year timeline. District staff are working on letters of support and resolutions of support for the EIS. We are creating letters of support for the Board Members to sign as well. It is a big public process, but it is moving along. ▪Crane-Said we are glad to see a schedule and see that it is moving forward. July 2021 will be when we receive the Record of Decision and gives us permission to move forward when we are ready. (1:51:28)

**AQUIFER RECHARGE: UPDATE & DISCUSSION:** ▪Monroe-Said we just completed the interconnection that Jeff and Tracy did from the Quichipa Recharge Project over to the Jones Farm. This uses water that would have gone to Quichipa but can now go to these farms and allows them to idle their wells. We hope to get some approvals in building dykes and canals in Quichipa soon for the next phase of the project.

▪Monroe-Said the flows from Quichipa are dropping down from coal creek, so there isn't much recharge happening currently. ▪Feltner-Said we were able to start in December this year, instead of February like usual. Horse Alley is recharging at about 80% before it goes through the outlet. ▪*There was discussion in regard to the logistics of Horse Alley and the measuring system for several minutes.* (2:04:07)

**GENERAL MANAGER'S REPORT:** ▪Monroe-Said the District cancelled the Water Festival this year due to COVID-19. Carollo Engineering had a sponsorship of \$500 and they asked that we put it toward our public education efforts.

▪Monroe-Asked if he could get the support of the District to go to a new program called Leadership Academy. He thought that it might be a good thing to be involved with in order to be more involved in the community. The Board voiced their support but asked that Monroe bring back more information as he gets it.

**WATER CONSERVATION: UPDATE AND DISCUSSION:** ▪Monroe-Said we are starting up free water checks. ▪Harris-Said Enoch just installed the Responsive Drip Irrigation on a few of their parks. They expect water use to be reduced by 80%. (2:08:18)

**ASSIMILATION OF SUNSET SUBDIVISION (BUMBLEBEE WATER SYSTEM):**

▪Monroe-Updated the Board on the situation with Bumblebee Water System. They have some money that they are willing to put towards the assimilation. The money will basically cover the costs of updating the system to our standards. He has visited with Cedar City about the assimilation as we will need a redundant source for the system. There will need to be more discussion with the city. The District will not connect the system unless there is a redundant source. The connection with Cedar City would be solely a backup source. ▪*There was discussion in regard to cities supplying water outside of their boundaries.* (2:17:45)

**DISCUSSION OF GROUNDWATER MANGAGEMENT PLAN AND LOCAL WATER**

**RIGHT CHANGES:** ▪Monroe-Said he talked to Nathan Moses. Their office hasn't worked the GMP Plan yet. They had a meeting planned with the new State Engineer, but it was canceled. He mentioned they may look at some changes to a few of the policies but didn't foresee any large changes. (2:18:35)

**BOARD MEMBER REPORT:** ▪Hunter-Told the other board members about an article he read that discussed the overallocation of the Colorado River. ▪Monroe-Mentioned that Kane county opted out of the Lake Powell Pipeline.

**ENGINEERING REPORT: UPDATE AND DISCUSSION:** ▪None.

Next meeting date: June 18<sup>th</sup>, 2020.

**Board Member Myers motioned to close the regular session and go into a closed session for imminent litigation or acquiring real property and/or water rights. Second by Board Member Stratton. Motion unanimous at 9:05 PM.**

**Roll Call as follows:**

**Hunter-Aye**

**Stratton-Aye**

**Myers-Aye**

**Hartley-Aye**

**Harris-Aye**

**Board Member Hunter motioned to adjourn the closed session for imminent litigation or acquiring real property and/or water rights and resume regular session Board Meeting. Second by Board Member Myers. Motion unanimous at 10:04 PM.**

**Board Member Hunter motioned adjourn the regular session Board Meeting and go into closed session for personnel matters. Second by Board Member Hartley. Motion unanimous at 10:04 PM.**

**Board Member Hartley motioned to adjourn the closed session for personnel matters resume regular session Board Meeting. Second by Board Member Myers. Motion Unanimous at 11:00 PM.**

*Decisions made on personnel matters were decided by the executive committee, board members Stratton, Harris, and Hunter.*

**Board Member Stratton motioned adjourn the regular session Board Meeting. Second by Board Member Hunter. Motion unanimous at 11:00 PM.**

**Meeting Adjourned at 11:00 PM.**



# Pine Valley Water Supply and Conservation Project Business Plan and Water Needs Assessment

CENTRAL IRON COUNTY WATER CONSERVANCY DISTRICT BOARD

JOHN REHRING



CEDAR CITY // MAY 21, 2020

## // Discussion Overview

Refresher  
on water  
supply  
analysis

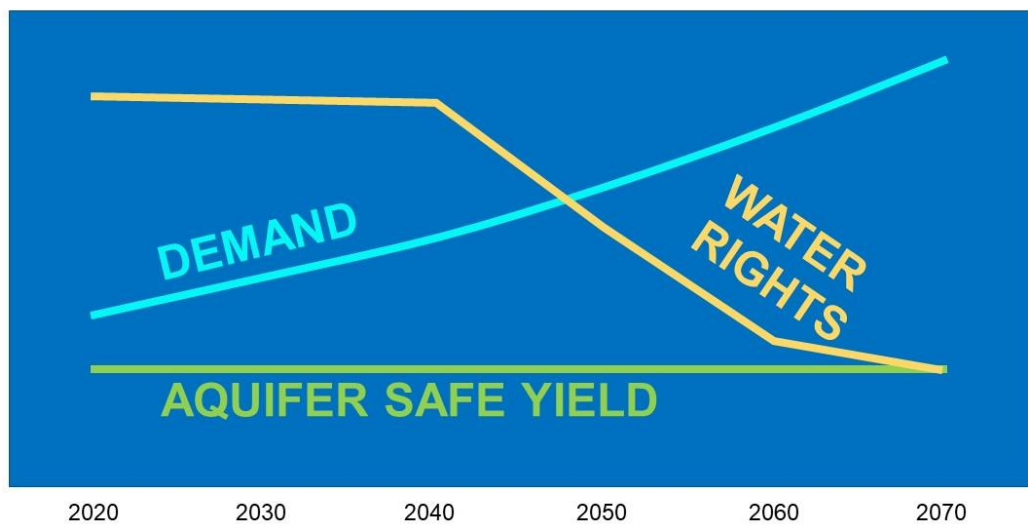
Report  
revisions to  
address  
stakeholder  
comments

Key policy  
choices  
and  
tradeoffs

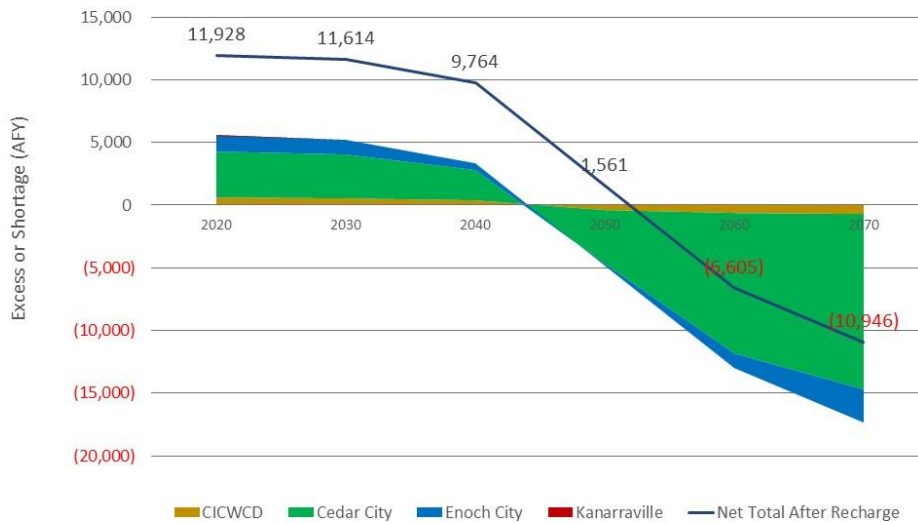
Consider  
approval of  
report

# Water Supply Analysis

// We Are Already Using Water Faster than it is Replenished



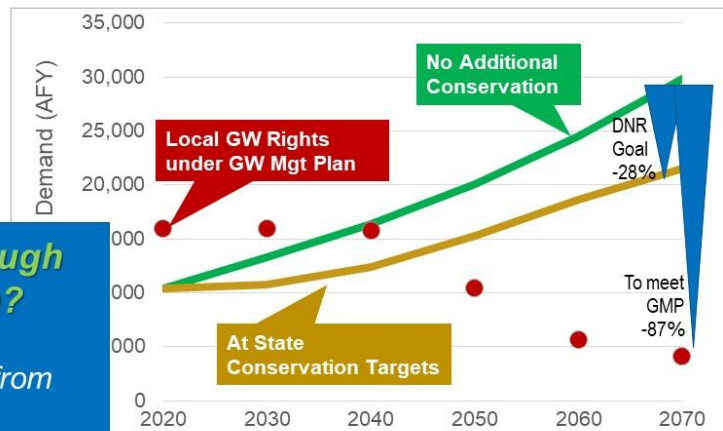
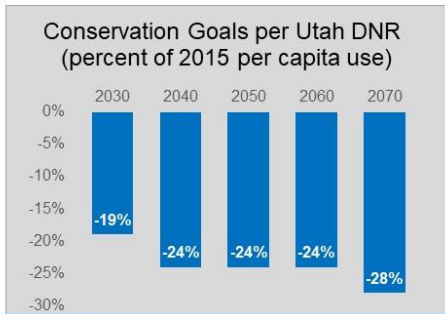
## // Projected Future Supply Surplus or Shortage with No Action



Hammerhead5

5

## // Additional Conservation is Beneficial / Not a Sole Solution



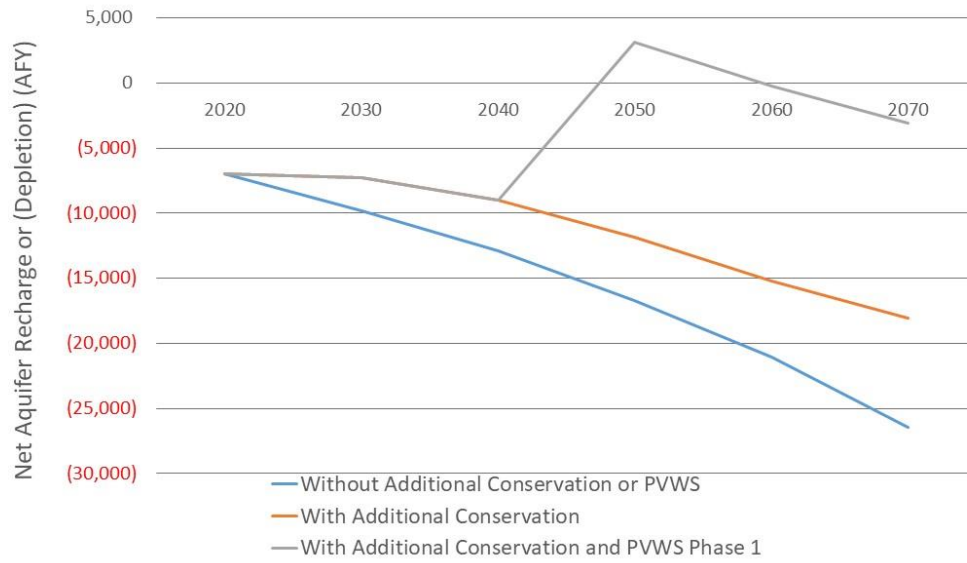
**Can we Meet the GMP through Additional Conservation?**

→ Reduce 2070 municipal demand from 29,600 AFY to 4,000 AFY

→ 87% reduction in demand = not feasible

6

## // Net Recharge or Depletion of Cedar Valley Aquifer



Hammerhead7

7

Report Revisions

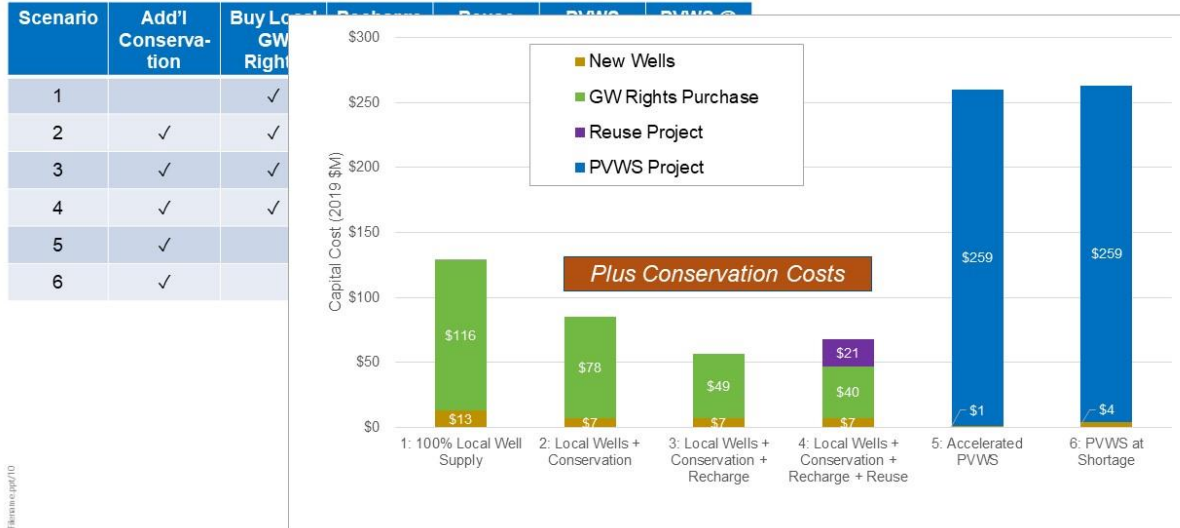
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## // Report Revisions Reflect Comments Received

Cedar City	Cedar City	BLM	CICWCD
<ul style="list-style-type: none"> <li>Clarify that interlocal agreements for PVWS would be needed and are not currently in place</li> </ul>	<ul style="list-style-type: none"> <li>Revise project costs related to cost of groundwater rights</li> </ul>	<ul style="list-style-type: none"> <li>Clarify conservation – no plans in place to achieve State goals, conservation carries costs that are not currently defined</li> </ul>	<ul style="list-style-type: none"> <li>Update Applied Analysis socioeconomic excerpts in appendix</li> </ul>

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## // Supply Alternatives Costs Updated with Revised Water Rights Purchase Costs

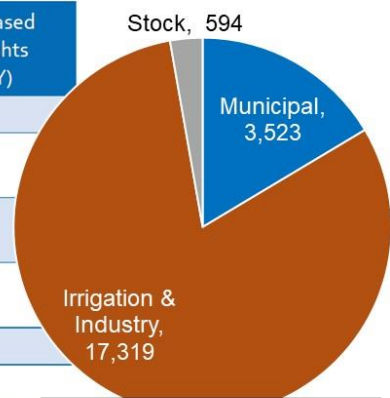


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# Key Policy Choices and Tradeoffs

## // Groundwater Purchases as an Alternative to PVWS Project

	Number of New Wells 2020-2070	Amount of Purchased Groundwater Rights 2020-2070 (AFY)
Scenario 1: 100% Local Well Supply	13	<del>25,700</del>
Scenario 2: Local Wells + Conservation	7	17,300
Scenario 3: Local Wells + Conservation + Recharge	7	10,900
Scenario 4: Local Wells + Conservation + Recharge + Reuse	7	8,900
Scenario 5: Accelerated PVWS	7	0
Scenario 6: PVWS at Shortage	7	0



*Local supply alternatives #2-4 would require purchasing 50 to 97% of non-municipal water rights in the Cedar Valley Aquifer.*

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## // Policy Choices and Tradeoffs

Agricultural water rights purchases and socioeconomic implications

Conservation targets:  
Amounts and how to achieve

Meeting demand in 2070 and beyond

Discussion // Consider Report Adoption