

Central Iron County Water Conservancy District
Public Hearing & Board Meeting Minutes
January 20, 2022



Board Members

Brent Hunter
Tyler Melling
David Harris
Spencer Jones
Terri Hartley
Joel Myers
Tyler Allred

District Staff

Paul Monroe-General Manager
Mandi Williams-Office Manager
Tracy Feltner-Water Operator
Jessica Staheli-Public Outreach
Jeff McKee-Water Operator
Jessica Malin-Admin. Assistant
Curtis Nielson-District Engineer
Justin Wayment-Legal Counsel

Others in Attendance

Paul Cozzens-County Commission
Garth Green-Cedar City Mayor
Bob Tuckett-Midvalley Estates Water
Ryan Obrey-BZI
Steve Miller
Clint Rogers-Stantec
Rob Dotson-Enoch City Manager

CALL TO ORDER: ▪Board Chairman Hunter called the meeting to order at 6:33 PM. Jessica Staheli lead the Pledge of Allegiance. Spencer Jones offered the invocation.

DECLARATION OF ABSTENTIONS AND/OR CONFLICTS OF INTEREST BY BOARD MEMBERS: ▪None. **(5:53)**

CONSIDER APPROVAL OF MINUTES FROM THE BOARD MEETING HELD NOVEMBER 20, 2021:

Board Member Harris moved to approve the minutes from the Board Meeting held November 20, 2021. Second by Board Member Jones. Motion unanimous 6:35 PM. (6:29)

CONSIDER APPROVAL OF PAYMENT OF BILLS AND ADJUSTMENTS

NOVEMBER 12, 2021 THROUGH JANUARY 14, 2022: ▪Williams-Highlighted that there was a payment to Alex Meisner Construction for a water right security deposit reimbursement. There was a payment to Cedar Valley Pumps for work in Chekshani Cliffs on the old well pump. ▪Monroe-Mentioned that the pipe has some corrosion. ▪Feltner-Said the pump pipe had to be replaced. We had a replacement pump and motor on hand. ▪Williams-There was a pay request that we released for Mumford for work in Chekshani. There was a yearly lease payment made for our office space. There was a payment made to Transcon and a yearly payment for postage at the post office for customer billing. There was also a payment to Cat for the mini excavator that was approved a few months ago.

Board Member Harris moved to approve the payment of bills and the adjustments register from November 12, 2021 through January 14, 2022. Second by Board Member Hartley. Motion Unanimous at 6:39 PM. (10:37)

▪Williams-Highlighted the transactions register. A refund to Alex Meisner for the water right security deposit. There was some account clean up and billing to Midvalley Estates. It was mostly just customer maintenance.

REVIEW 2021 FINANCIALS: ▪Monroe-Said next month we will spend a little more time on the 2021 budget as there was not anything substantial to discuss.

REVIEW 2022 FINANCIALS: ▪Monroe-Said there isn't too much yet for this year, but one thing to highlight is that impact/connection fees haven't slowed down yet for the year. He also highlighted the lease payment that was made. (13:21)

PUBLIC COMMENT: ▪None. (13:51)

CHEKSHANI CLIFFS: DISCUSSION AND UPDATE: ▪Monroe-Said we are almost done with the project. We need to appoint a Board of Equalization Committee. It is preferred that it is made up of three Board Members. Monroe's recommendation is that the Executive Committee which is Harris, Hunter, and Myers make up the Board of Equalization. There needs to be a 35-day notice period for establishing an assessment area. We are looking at March 9th, 10th, and 11th. This is a time for the people in Chekshani to come and protest the amount that would be assessed. We have been able to keep the cost within the range we had original quoted. The District will be paying more for the project in order to keep the Chekshani quote the same. The District is basically paying for the entire cost of the well and Chekshani customers are just paying for a portion of the line to their subdivision. We have just a few more costs to be finalized, but it looks like it will be around \$3,800 for each lot. We are waiting for the invoice from the electrician and Cedar Valley Pumps. The wellhouse Conex box looks nice for about \$20,000-\$30,000, compared to \$100,000 for a regular wellhouse. The operators did a great job framing, painting, and insulating it. ▪*There was some discussion in regard to the wellhouse construction.* ▪Monroe-Proposed that the Board of Equalization hearings be held at the District Office for three consecutive days for an hour each day during the lunch hour. Each lot will be assessed an estimated \$3,800. There are 70 lots, and one lot that is located outside of the subdivision which is owned by Randy and Kay Carter. ▪*The Board will vote on the Board of Equalization members next month.* (20:35)

SUNSET SUBDIVISION: UPDATE & DISCUSSION: ▪Monroe-Said we have started extending pipe, but they have been extremely busy with multiple line breaks in the Cross Hollows Subdivision with in the last 2 weeks. ▪Feltner-There is no tracer wire on that system, so we can only guess where the waterlines are. Two of them were marked and hit, but the other two were not marked correctly since the line was installed incorrectly many years ago. It takes about a day for each line break to get things fixed. (23:10)

WATER IMPROVEMENT PROJECT 2021: UPDATE & DISCUSSION: ▪Nielson-Said Crane has been working with the State office of the USDA to figure out what accounting numbers they need and make sure it is all correct. After that, it will be sent to the National Offices for review. (24:17)

PINE VALLEY WATER SUPPLY PROJECT: UPDATE & DISCUSSION: ▪Hunter-We had the community meeting last December that was very successful. ▪Monroe-Said the DOI published the DEIS and it is now open for public comment through February 22nd. All the documents and reports are on that website and can be reviewed by the public. There are many wildlife, cultural, and hydrological reports on that website. Primarily we are interested in learning about any shortfalls of the study through the public comments. We want to make sure that we are looking at everything thoroughly. We are excited to be moving forward. ▪Hunter-Should we encourage people to make public comments? ▪Monroe-Yes, they can access that online through the EPA, BLM, or DOI and look for the public notices on the public registry and search for the Pine Valley Water Supply Project. ▪Staheli-There is a link on our website as well at cicwcd.org. (27:03)

WATER CONSERVATION: AQUIFER RECHARGE & REUSE WWTP WATER:

▪Monroe-Said we are still waiting on Rocky Mountain Power to deliver our transformers. We ordered those in November of 2020. We may try to get a smaller transformer to see if we can get one sooner. This will be out at Quichipa. Right now, it is being pumped through a diesel generator, but we are changing it to electric. We were able to pay for that through State Grants. The diesel generator is still operable. ▪Melling-We had good snowpack in December, so hopefully we'll have some good recharge this year. ▪Monroe-Said December had a good snowpack, but January has fizzled out. We received as much water content in December as we did all throughout last year. Which is good, but not if it doesn't continue. ▪Jones-Said we might want to check with the power company and see if they would accept transformers built by MCM Engineering out in Enoch. That might be an opportunity if Rocky Mountain Power would accept that. ▪Monroe-Said that is a discussion that he wanted to talk to them about too. ▪Jones-That might be worth exploring. He suggested talking to Ladell Lob, CEO of Dixie Escalante. We have been waiting for a long time and a diesel generator adds a lot of maintenance for the water operators. ▪Feltner-Said the company was looking into something like that, but we haven't heard back from them. We are running out of time because we need to install a pump in the middle of Quichipa before it starts to get too wet. He described where the transformers are located. ▪Monroe-We have a verbal approval through the BLM but are still waiting for permits for the Right-of-Way, which should be completed within the next few weeks.

Justin Wayment Arrived at 7:03pm.

▪Monroe-Said on conservation, we have our 5th Grade Water Fair on March 8th-9th, and a Locascapes class on April 6th-7th. As far as recharge itself, we have been able to put in 1-2 million gallons a day into the Western Rock Pit (3-6 acre-feet per day). The majority of the flows are going towards North and West Fields Irrigation companies. ▪Feltner-There isn't anything going to Quichipa or past Western Rock. ▪Monroe-Asked if there was water going into the airport pits? ▪Feltner-No, they need to fix some of those waterlines into it. It needs to have a better slope so it can stay cleared out. It is one of the best recharge areas, but the piping needs to be redone so that it can be used again. ▪Hunter-They had to dig it out because it had sealed up

years ago. Even though the winter water is nice and clear, there is still a lot of sediment in it that can block those areas. ■Green-What is the pipe problem? ■Feltner-Described where the pipe is located. ■Cozzens-How hard would it be to build a headgate like at Western Rock? ■Feltner- Said it could be done, but it would be time consuming and there would be costs associated. ■*There was discussion for several minutes regarding the issue with the pipe going into the Airport Pit.* ■Monroe-Said in regard to the wastewater reuse project, we haven't gotten update from NRCS and see where we are at with that. Mayor Green is anxious to get started with that, and we all are. It is water we need to put to good use. (45:00)

GENERAL MANAGER'S REPORT: OPERATIONS & PUBLIC EDUCATION: ■Monroe-Said one of the areas that may be a bigger concern for our community is the financing of the Pine Valley Water Supply Project. The last report that was done with Carollo had some gaps in the data. We reached out to Zion Public Finance to do a report and make a more usable model. They are the municipal financial advisors for the District, Enoch and Cedar City. We would like them to create a better cost estimate for each of the entities on this project. They provided a scope of work for the Board. This fits within the agreement that we currently have with Zion Public Finance. Is this something that the board would like to entertain? This would be a document that could supplement the EIS. We imagine that we will receive a lot of public comments about the possible increased costs of customer bills. We need to start having more discussions with Enoch City and Cedar City about the project and how much water they want to subscribe to. That will help us narrow down the costs more as well. The proposal is to refine cost estimates for the project, and he believes is within the current agreement with Zion Public Finance. The cost of the report is stated not to exceed \$6,000. ■Nielsen-We think it will be good money spent to dive in and look at each customer individually and what the actual impact will be. ■Jones-Said he thinks it is a great idea to do this. How soon are we wanting to engage this if we are wanting to proceed? ■Monroe-Said we could wait until the public comment is over or we can move forward quickly so that we have something we can utilize in our own entity. ■Allred-If we do it first, then we are ahead of the game and can answer people's questions. ■Hartley-It would be good to have a third-party report sooner than later, as there are accusations being made from the public. Jones-Said We should put it on the agenda for next month, or we could have a special meeting to approve it earlier if needed. It would be good to have this done by the time the public comment is over if possible. ■Harris-Said public comment is scheduled to end at the same time as the next meeting. ■Jones-Said maybe it needs to be done sooner.

■Monroe-Asked Wayment if this needed to be approved by the Board, or if it could be done administratively due to the contract with Zions. ■Wayment-We can't vote on it, but if you deem it an administrative matter, then you can proceed in your administrative roles, otherwise it needs to be a voted on by the Board next month. ■Melling-Do we have a dollar threshold for procurement? ■Monroe-We have a dollar threshold, but I consider this similar to having Ensign Engineering on contract. We also have a contract with Zions. I imagined that we would just get direction from the Board, similar to how we have Ensign work on projects under their contract. I believe our contract with Zions states not to exceed \$10,000 a year, unless there are other special projects. ■Wayment-Discussed whether it would be an administrative matter and falls within the current agreement with Zions. He stated that we will need to look into the purchasing policies and agreement further to decide whether we could go forward administratively with the Board's recommendation or if it needs to be put on next month's agenda. ■Monroe-Said we will move forward and look into it and see if it is appropriate. ■Melling-Mentioned that within the model,

he would like to see varied community growth rates. He wanted to see how impact fees would offset the current user fees in relation to growth. ■Monroe-Said that is similar to the in-depth study that we had discussed several months ago. Stantec Engineers presented to the staff earlier today and outlined some of the intricacies that could go into this type of detailed financial study. We had set aside funds in the budget to do a more in-depth financial model where we could include Cedar City and Enoch City and do a more in-depth rate analysis of repayment with fees and include growth and water shortages. Payment for the project needs to come from the current users due to current water shortages, but growth should also contribute. We need to decide whether we would like a more robust model, or a model like Zions has currently suggested which would answer some of those immediate questions that we have from the public. ■Hartley-Asked if it would be Zion's that would do the more robust option? Monroe-It could, but we would need to go out for proposals, as it would cost more than \$6,000 and it would take a significant amount of time. ■Hunter-Suggested we move towards using Zion's and maybe go larger down the road.

■Monroe-Brought up the discussion about going on a tour to analyze a couple of projects that have taken place nearby in Colorado. He has been discussing this with Stantec. They would take the Board to see how a community came together and brought in imported water into an area. The projects they would tour are quasi-jurisdiction and included multiple parties. We want to learn more about how they started and ask questions about how it came together and how they got through the process. This could be a good opportunity for education and to unify the Board as we are up against some difficult times again; we are right in the middle of an EIS and there is a lot of commotion in the public. This would provide a good opportunity for all of us to become more educated on a water scale project and how it is obtainable for us in this community. Is this something the Board is interested in? ■Harris-Said he thought it was a good idea. ■Jones-Said it was a great idea, he was there for the Arizona trip that the Board took years ago, and it was a great experience. ■*There was discussion about the Arizona trip and how valuable it was.* Monroe-Asked Rogers with Stantec to highlight some of the projects they would see during the tour. ■Rogers-Introduced himself as Utah Area Manager for Stantec Engineering. He said that Stantec has done some larger water conveyance projects, similar to the PVWS project. He gave some examples of projects similar to the PVWS project that Stantec has been involved with. He suggested that the Board's tour be located in Colorado Springs. Stantec would help facilitate meetings with water managers and city leaders involved with the funding and organization of these water projects. *He gave an outline of a potential schedule for the tour and some of the things that could be learned from the tour.*

■Monroe-There is a large amount of knowledge within Stantec through the projects they have been involved with. It would be great to see the base level of getting communities together and seeing the vision of how it was all tied together and how the projects have been successfully completed. It would be good to see the financing side and how practical these projects can be. Seeing projects in-person is a great benefit as well. Rogers-Said that their intent is to facilitate and help make connections with the people involved with these projects. ■Hunter-How long would it take to put this together? ■Monroe-Said he was thinking the end of March or early April. It would be a 2-3 day trip and he discussed different travel options such as flying or taking a bus. ■*There was discussion regarding a date for the trip for several minutes.* ■*There was discussion regarding who is interested in attending the Utah water users on March 21st-23rd for several minutes. (1:16:42)*

BOARD MEMBERS REPORT: ▪Harris-Said Enoch City is looking at reviewing and restructuring their water rates. ▪Melling-Said Cedar City is also looking at water rate increases and more aggressive tier structures. There will be public hearings on those increases. He mentioned the type of increases and the aggressiveness of the tiers. Those who use more water, will pay more. Cedar City staff and council members have been working on this new rate structure for several months. There has been concern in the public about the cost of the PVWS Project, but if is not completed then there will still be high costs to think about such as water rights. He also mentioned the water acquisition fee structure updates that the city is considering.

▪Hunter-Said we attended an interesting meeting with the general manager of the WCWCD, and he had a lot of interesting ideas that we could think about too. **(1:20:30)**

ENGINEERING REPORT: UPDATE AND DISCUSSION: ▪None.

NEXT MEETING DATE: February 17, 2022

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 Harris. Motion unanimous at 7:50 PM. (1:21:20)

Roll Call as follows:

Hartley-Aye

Harris-Aye

Jones-Aye

Melling-Aye

Myers-Aye

Allred-Aye

Hunter-Aye

Board Member Harris motioned to adjourn the closed session and resume regular session Board Meeting. Second by Board Member Allred. Motion unanimous at 8:47 PM.

▪Harris-Gave a recommendation to the staff to proceed with the reviewing of our contract and continue the negotiations with the water rights and negotiation regarding the line extension agreement with BZI.

Board Member Harris motioned adjourn the regular session Board Meeting. Second by Board Member Allred. Motion unanimous at 8:48 PM.

Meeting Adjourned at 8:48 PM.