

Central Iron County Water Conservancy District
Public Hearing & Board Meeting Minutes
May 19, 2022



Board Members

Brent Hunter
Tyler Melling
Tyler Allred
Terri Hartley
Joel Myers

District Staff

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

Others in Attendance

Rick Roberts-Kimball & Roberts
Gabe Miller-Kimball & Roberts
LynAnn Imlay-Cedar Highlands HOA
Larry Bell
Clint Rogers-Stantec
Jay Grimshaw-Grimshaw Drilling
Linford Nelson
Ryan Obrey-BZI
Jimmer Harker-BZI

CALL TO ORDER: ▪Board Member Hunter called the meeting to order at 6:30 PM. Joel Myers to lead the Pledge of Allegiance. Tyler Melling offered the invocation.

DECLARATION OF ABSTENTIONS AND/OR CONFLICTS OF INTEREST BY BOARD MEMBERS: ▪None. (2:04)

CONSIDER APPROVAL OF MINUTES FROM THE BOARD MEETING HELD APRIL 21, 2022:

Board Member Myers moved to approve the minutes from the Board Meeting held April 21, 2022 Second by Board Member Melling. Motion unanimous: 6:33 PM. (2:51)

CONSIDER APPROVAL OF PAYMENT OF BILLS AND ADJUSTMENTS APRIL 15, 2022 THROUGH MAY 13, 2022: ▪Williams-Said we made a payment to Intermountain

Environmental for the Quichapa flumes. We also had one repair at Western Rock from some damage done by the flooding. We have a new public relations ad campaign with Iron Spike Method. She highlighted Transcon Environmental as she included in the notes this month as we had discussed last month where they were with project completion, and they are 89% through the project. We paid our yearly dues to the Utah Water Users Association. The Transaction Register had a few unique transactions this month as the Special Assessment Fees have gone into effect for Chekshani Cliffs. There were also some deposit refunds, water right security deposits, and some general account clean up. ▪*There was a small discussion on how many Chekshani residents have set up monthly installments as well as paid the assessment fee in full.*

Board Member Myers moved to approve the payment of bills from April 15, 2022 through May 13, 2022. Second by Board Member Hartley. Motion Unanimous at 6:37 PM. (6:29)

REVIEW 2022 FINANCIALS: ▪Monroe-Highlighted that we are 41% through the year with the budget. He discussed our net position and highlighted the different PTIF accounts that were adjusted. **(8:16)**

▪Justin Wayment arrived at 6:40 PM & Linford Nelson arrived at 6:52 PM

**REVIEW & CONSIDER APPROVAL OF 2021 FINANCIAL REPORT & AUDIT-
PRESENTED BY KIMBALL & ROBERTS:**

▪Miller reported they performed the audit based on standards for the year December 31, 2021. He reported there were no audit findings. ▪*He discussed the audit information including the revenue, expenditures, depreciation, and cashflow for several minutes.* ▪Roberts reported on the Independent Auditors Report. He stated that they didn't see any material weaknesses or significant deficiencies that would cause them to believe that would cause a misstatement of your financial statements. However, material weaknesses may exist that they did not identify. ▪*There was a small discussion on what they are trying to identify during the audit.* He also reported on State Compliance to make sure the District is following the State law. They include Budgetary Compliance, Fund Balance, Restricted Taxes & Related Revenues, Fraud Risk Assessment, Governmental Fees, Cash Management, and Public Treasurer's Bond. There were no findings, and Central Iron County Water Conservancy District complied with all those requirements that were tested.

Board Member Melling moved to approve the 2021 Financial & Audit Report. Second by Board Member Myers. Motion unanimous: 6:54 PM. (24:18)

PUBLIC COMMENT: ▪Imlay-Asked two questions to the Board. She stated that last year there was some work done on the upper tank and dirt in the meadow was disturbed. Last weekend she noticed that there is a lot of weeds growing and she is wondering what the District's plan is to get that disturbed dirt to look like the surrounding meadow. She also wanted to know if the Conservancy District manages Greens Lake. ▪C Nielson-Said he would follow up with the contractor on the reseeded as that was part of the agreement ▪*There was a small discussion regarding Greens Lake being in the common areas and so that would possibly make the HOA the manager of it. The District does not manage Greens Lake. (28:01)*

REVIEW PROPOSED WATER RATE INCREASES & BILLING STRUCTURE

UPDATES: ▪Staheli-Presented the proposal to increase our connection fees. ▪*There was a discussion on the reasoning of the proposal to increase as the costs in the market have continued to increase. She presented some examples of the cost of materials, what we have been charging, and what the potential charge would be.* The proposed connection fee would be the actual supply cost plus a \$100 inspection/overhead cost. ▪Staheli-Said we are proposing a 2% increase on all of our rates. ▪*There was a discussion for several minutes on all the different rates, the formula used and how that would be applied to the customers.* ▪Staheli-Said we are proposing those rate increases to go into effect June 1st with the first bill going out in July (for regular, conservation, fire hydrant, and emergency rates). ▪*There was a discussion regarding the other rates: secondary rates, agricultural rate, commercial and industrial rate, commercial mine rate, and institutional rate with more significant changes going into effect November 1st to allow for the transfer of*

additional water rights as that process can potentially take between 4-6 months. ▪She presented some examples of current customers that are overusing water and how the rate increase would impact them and the option of transferring more water rights to cover the overuse. ▪There was a discussion for several minutes on the different rates; Institutional, Commercial, Industrial, Mine, & Agricultural and the proposed rate increase. ▪Monroe-Said all of these are based on a formula to make it cleaner for the District and the customer having these policies in place. ▪Staheli-Said we are planning on sending letters to the customers that would have a more significant change to let them know that this rate increase is going into effect on November 1st, including what additional water rights they would possibly want to transfer over to the District if they want to be on a lower tier. (46:32)

Board Member Myers made a motion to go into Public Hearing. Second by Board Member Melling. Motion unanimous at 7:17 PM. (47:15)

Roll Call as follows:

**Hartley-Aye
Melling-Aye
Hunter-Aye**

**Allred-Aye
Myers-Aye**

PUBLIC HEARING ON PROPOSED WATER RATE INCREASES & BILLING

STRUCTURE UPDATES: ▪Monroe-Said we advertised in the paper and on public notice website. ▪*There were no comments from the public. (48:16)*

Board Member Melling made a motion to close the Public Hearing regarding the proposed water rate increases. Second by Board Member Hartley. Motion unanimous at 7:18 PM. (48:24)

CONSIDER THE APPROVAL OF RESOLUTION NO. 2014-1-16 REVISION 7: WATER RATE INCREASES & BILLING STRUCTURE UPDATES: (48:34)

Board Member Melling made a motion to approve Resolution No. 2014-1-16 Revision 7: Regarding water rate increases & billing structure updates. Second by Board Member Hartley. Motion unanimous at 7:19 PM. (49:10)

Roll Call as follows:

**Hartley-Aye
Melling-Aye
Hunter-Aye**

**Allred-Aye
Myers-Aye**

WATER IMPROVEMENT PROJECT 2021: CONSIDER THE APPROVAL OF AN AGREEMENT TO CONSTRUCT & PURCHASE A WATER LINE & WELL: (This will be discussed in closed session.)

WATER IMPROVEMENT PROJECT 2021: CONSIDER THE SELECTION OF ENGINEERING FIRM FOR CONCRETE TANK DESIGNS: ▪C Nielson-Said we solicited out to seven different engineering firms to get statement of qualifications and proposal basis for design of concrete tank structures included in this water improvement project. We

received responses from Stantec Engineering and Sunrise Engineering. These proposals are just qualifications, no fee associated with it. They are evaluated on six points. We sat down as a committee and evaluated each of these thoroughly and went through the scoring and the ranking on the scales. The committee consisted of: Myers, C Nielson, Monroe, and Crane. The committee recommended that the District selects Sunrise Engineering and begin the negotiations of fees for the design work on the concrete structures. ▪*There was a small discussion regarding where Cedar City was at in their process of building tanks.* (55:00)

Board Member Hartley made a motion to select Sunrise Engineering for the concrete tank design. Second by Board Member Melling. Motion unanimous at 7:26 PM. (55:33)

▪*Obrey & Harker with BZI arrived at 7:33 PM*

WATER IMPROVEMENT PROJECT 2021: CONSIDER THE APPROVAL OF AN AGREEMENT TO EXCHANGE PROPERTY TO CONSTRUCT THE NEW CEDAR HIGHLANDS TANK FOR THE OLD CEDAR HIGHLANDS TANK: ▪Monroe-Asked

Wayment to highlight our exchange of property with L Nelson. ▪Wayment-Said we have a mutually agreeable exchange of property. We would like to build a tank on L Nelson's property which is located above the District's current upper tank.

We have approached L Nelson with an agreement of L Nelson giving us a half-acre of land to put the big cement tank on land that is elevated. In exchange, the District would give him our current upper steel tank at Cedar Highlands. ▪*There was discussion of temporary easements if necessary as well as access easements. Including the location of the tank being about Southeast above the current location of the steel tank as that would provide the elevation needed.* ▪L Nelson-Presented the possibility of relocating the location of the water tank. ▪Monroe-Said last month we selected a firm to do the geotechnical work. They are ready to move forward with these locations in about two weeks. ▪*Monroe-Presented a map and there was a small discussion on shifting the tank location and if we were to move the tank to a higher location that would risk an increase in pressure, increased elevation, and the effects and costs of moving to a higher location.* ▪Monroe-Asked L Nelson if he would still like to proceed with the proposed agreement. ▪L Nelson-Said he was still okay with how it was presented he just wanted the Board to consider these other options. ▪Monroe-Said let's work together in adjusting the location but keep it at the same elevation. ▪L Nelson-Agreed. (1:11:50)

Board Member Melling made a motion to approve the exchange of property agreement as outlined subject to those revisions deemed necessary by legal counsel. Second by Board Member Myers. Motion unanimous at 7:42 PM. (1:12:33)

CHEKSHANI CLIFFS: UPDATE, DISCUSSION OF THE CHEKSHANI CLIFFS

WATER IMPROVEMENT PROJECT: ▪Monroe-Reported that we have received close to 40% of payments paid in full for the Special Chekshani Assessment Fee. (1:13:48)

SUNSET SUBDIVISION (HARVEST FIELDS): UPDATE, DISCUSSION & CONSIDER USE OF JUNIOR WATER RIGHTS FOR SECONDARY PURPOSES: ▪Monroe-Said when

we left that discussion last month, we were supposed to get additional information from Jenson on what she wanted to do with those rights. She hasn't provided any additional information.

Water operators will be finishing putting in the water lines tomorrow. Then they will start looking at transitioning that well. *▪There was a discussion regarding some of the projects that the operators have been working on throughout the winter and the completion of them. They discussed the water operators demonstrating a hot tap for the office staff to witness as a learning experience. (1:15:58)*

GROUNDWATER MANAGEMENT PLAN: REVIEW, DISCUSS, & CONSIDER

RECONVENING THE GMP COMMITTEE: *▪Monroe-Said we will table this for now as Board Member Jones is not present. It may possibly be on next month's agenda. (1:16:28)*

PINE VALLEY WATER SUPPLY PROJECT: UPDATE & DISCUSSION: *▪Monroe-Said*

we are starting to receive the public comments back from the BLM and from Transcon as they reviewed them. They are starting to look closer at things we may have missed and any of the updates that we may need to work on. They have asked that we take a closer look at some of the costs, particularly of water rights as they have increased within the basin. We would like to re-engage Carollo to update our financial business plan report. ▪ There was a discussion for several minutes regarding the current costs of water rights with inflation and depletion with the latest appraisals. ▪Monroe-Said we also would like address redefining our population projections as new projections were just released the first of this year. ▪There was a discussion regarding the different projections to highlight and show those different variables. ▪Monroe-Said we need to clarify in that report how long will the PVWS meet our needs in this basin and the cost of conservation and our conservation plan.

▪Imlay was leaving. ▪Monroe-Asked if her being a member of the Cedar Highlands HOA Board if she foresaw any issues with the District obtaining and easement to put in that new tank? She said no, we were just talking about that, and they will be thrilled. (1:22:47)

▪There was a small discussion regarding the public comment period being closed and the comments being analyzed and the process of how that takes place. (1:24:19)

WATER CONSERVATION: AQUIFER RECHARGE & REUSE WWTP WATER:

UPDATE & DISCUSSION: *▪Monroe-Said I think we got a little over 800 acre-feet into the recharge systems this year. ▪There was a discussion regarding making more improvements in the channel and discussion about when the flood came through.*

▪There was a discussion for several minutes regarding a proposal from a community member that was offered to Cedar City Corporation regarding the Wastewater Treatment Plant. The proposal includes a pipeline that would divert wastewater to the Enterprise/Beryl Valley and a pipeline that would bring culinary water back into the Cedar Valley basin. The Cedar City Council has not approved this as of yet as they wanted more information and additional proposals. ▪There was a discussion for several minutes regarding what the priorities are and the best use of the water with long term solutions. They discussed sending out a request for proposals including the perimeters of what they will be evaluating those proposals on. There was discussion on the possible benefits and negatives effects of the current proposal.

▪Monroe-Highlighted a map and discussed specific wells and highlighted data including the trends of declining levels. ▪*There was also discussion of possibly developing a well field in the Northern area. He also highlighted well data from wells around the wastewater treatment plant.*

▪*There was a small discussion regarding Willowstick and their successes. It was reported that they just completed some work for the District, but the report would be discussed in closed session regarding some areas out in Iron Springs. (1:56:10)*

GENERAL MANAGER'S REPORT: OPERATIONS & PUBLIC EDUCATION: ▪Monroe-Recognized the staff and the Board for all the support. ▪Staheli-Said Water Festival is coming up on June 25th. (1:57:43)

BOARD MEMBERS REPORT: ▪*There was a short discussion on the recharge facilities. (1:58:45)*

ENGINEERING REPORT: UPDATE AND DISCUSSION: ▪None. (1:58:51)

NEXT MEETING DATE: June 16, 2022

Board Member Melling 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 8:29 PM. (1:59:34)

Roll Call as follows:

Hartley-Aye

Allred-Aye

Melling-Aye

Myers-Aye

Hunter-Aye

Board Member Myers motioned to adjourn the closed session and resume regular session Board Meeting. Second by Board Member Hartley. Motion unanimous at 9:49 PM.

WATER IMPROVEMENT PROJECT 2021: CONSIDER THE APPROVAL OF AN AGREEMENT TO CONSTRUCT & PURCHASE A WATER LINE & WELL: ▪Monroe-Said 60% would be paid for by the District and 40% would be paid for by BZI. The District will pay the remaining sum if the District wishes to upsize the water system larger than an 8" line. The intent of the agreement percentage based so that both entities have incentive to reduce costs. We can add in the diameter of the line in the agreement. ▪*There was short discussion regarding the agreement terms.*

Board Member Melling motioned to approve the agreement to construct and purchase a water line and well with the modifications from the prepared document that would reflect the cost of an 8" water line being split 60% to the District 40% to BZI with any other material upsize costs to the District and BZI would be agreeing to install an 18" line for that projected install cost. Second by Board Member Myers. Motion unanimous at 9:53 PM. (2:03:50)

Board Member Myers 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 Melling. Motion unanimous at 9:56 PM.

Roll Call as follows:

Hartley-Aye

Allred-Aye

Melling-Aye

Myers-Aye

Hunter-Aye

Board Member Allred motioned to adjourn the closed session and resume regular session Board Meeting. Second by Board Member Melling. Motion unanimous at 10:04 PM.

Board Member Allred motioned adjourn the regular session Board Meeting. Second by Board Member Melling. Motion unanimous at 10:04 PM.

Meeting Adjourned at 10:04 PM.