

Central Iron County Water Conservancy District
Board Meeting Minutes
August 17, 2023



Board Members

Brent Hunter
Tyler Melling
Spencer Jones
Tyler Allred
Andrew McCrea
Terri Hartley

District Staff

Paul Monroe-General Manager
Mandi Williams-Office Manager
Jessica Staheli- Public Outreach
Kelly Crane-District Engineer
Tracy Feltner- District Operator
Tyler Glover- District Operator
Christy Tullis-Billing Clerk
Keston Steadman-Intern

Others in Attendance

Gary Player
Rick Roberts -Kimball & Roberts
Gabe Miller -Kimball & Roberts

CALL TO ORDER: •Board Member Hunter called the meeting to order at 6:32 PM. Christy Tullis lead the Pledge of Allegiance. Spencer Jones offered the invocation.

DECLARATION OF ABSTENTIONS AND/OR CONFLICTS OF INTEREST BY BOARD MEMBERS: •None.

CONSIDER APPROVAL OF MINUTES FROM THE BOARD MEETING HELD July 20th, 2023:

Board Member McCrea moved to approve the minutes from the Board Meeting held July 20, 2023. Second by Board Member Hartley. Motion Unanimous at 6:35 PM, Spencer Jones abstained. (4:42)

PUBLIC COMMENT: •Gary Player-commented that Jay Grimshaw is working at Martins Flat to get the Cedar City well done. •Hartley-Asked if they have made any progress? •McCrae-They have found water, but it isn't high quality.

CONSIDER APPROVAL OF PAYMENT OF BILLS AND ADJUSTMENTS July 12, 2023 THROUGH August 10, 2023: •Williams-Highlighted the order of chlorine tablets. The Cedar Highlands tank was cleaned and inspected, the District is having 2 tanks cleaned and inspected each year. There was check for Fun Time Inflatables from the Water Festival. The audit has been paid for. There were payments made to Sunrise Engineering for tank engineering and there were 3 invoices that were previously missed from a few months ago. Transcon Environmental the total paid to date is \$1.6 million, close to completion on what they have budgeted. Formation is at 97% and Transcon is at 92% completed. There is a new lease with Caterpillar for the new backhoe, it is a one-time payment for the full year. •Hartley-asked what happens when Transcon

gets to 100% of the contract? ▪Monroe- This is what is budgeted to get to final EIS, they feel like it would be enough to get there. If the BLM has additional requirements or asks, then they would come back to the Board with a change order.

Williams-Went over the credits & debits. There were a couple of customers that had one time leak relief credits. Everything is pretty standard. There have also been a lot of return check payments. We will continue to watch those and hopefully it will get back to normal.

Board Member Jones moved to approve the payment of bills from July 12, 2023 through August 10, 2023. Second by Board Member Melling. Motion Unanimous at 6:43 PM. (12:54)

▪Monroe-wanted to expand on the first payment that Mandi mentioned to Applied Service Diving (for tank cleaning/inspection). There is one tank that has significant issues, it is the lower tank at Cedar Highlands. We are looking at replacing the upper Cedar Highlands tank. The lower tank will need a new liner and we will be bringing that to the Board within next year's budget.

Justin Wayment arrived at 6:42 PM

REVIEW 2023 FINANCIALS: ▪Monroe highlighted that the line items are tracking the way they were the previous month. He likes to see the interest rates that the District is receiving in the PTIF account. ▪Gary Player-Said the city has bought water rights from the Lund area, and he was wondering if it would be beneficial to move the pipeline out there. ▪Hunter-Let him know that the District already has a line out there along Iron Springs Road. ▪Melling- The city doesn't have the infrastructure out there; they have changed their policy to accept those rights out there because of the District's infrastructure.

PRESENTATION OF THE 2022 AUDIT BY KIMBALL & ROBERTS: ▪ Roberts-Reported they performed the audit based on standards for the year December 31, 2022. He reported there were no audit findings. *He discussed the audit information including the cashflow, revenue, expenditures, depreciation and bond reserves for several minutes.* ▪Miller reported on internal control over financial reporting, it discusses the evaluation of internal controls when they do the audits. He stated that they didn't identify any deficiencies in the internal control that they consider material weaknesses. However, they could exist, but they did not identify any. The numbers can be relied on by the Board or the general public. He stated the District has a really good system. He also reported on State Compliance to make sure the District is following the law. There will not be any new compliance requirements next year. There were no findings, and Central Iron County Water Conservancy District complied with all the requirements that were tested.

CONSIDER THE APPROVAL OF THE 2022 FINANCIAL STATEMENTS: (AUDIT)

Board Member McCrea moved to approve the 2022 Financial Statements (Audit). Second by Board Member Melling. Motion Unanimous at 7:01 PM. (31:23)

WATER IMPROVEMENT PROJECT: CONSIDER THE APPROVAL OF A BID TO RECONSTRUCT THE VANDENBURG WELL

▪Monroe-Said the first item is to review the bids for the Vandenberghe well. *There was a little bit of discussion among the board members about where this well is located.* ▪Monroe-The exchange was the District would put the waterline in for 8 lots in exchange for the well. The retro fitting of the well is the agreement/partnership with Henry's Place and the Hope Group. We will split 1/3 the cost of retrofitting the well with Henry's Place and the Hope Group. ▪Jones-Asked if the low bid is just \$100,000 to drill and grout. ▪Monroe-Said yes, this has been out to bid 3 times, and this is the best result. ▪*There was a small discussion between board members about the well and what needs to happen.* ▪Monroe-Said Gardner Brothers have been informally told that they are the low bid and that the District would like to get on their calendar. One of the reasons there weren't a lot of bids is because of the timeline. Gardner's thought they could get this done in the winter. There is a deadline of July 2024.

Board Member Melling motioned to accept the bid from Gardner Brother's Drilling for the Vandenburg Well. Second by Board Member McCrea. Motion Unanimous at 7:13 PM.

WATER IMPROVEMENT PROJECT: CONSIDER THE APPROVAL OF WILLOWSTICK PROPOSAL TO LOCATE A WELL IN BASIN 71 (BETWEEN INNOVATECH AND WECCO)

▪ Monroe-Said he gave Willowstick a couple of geographic areas to look at. He is trying to get prices from the power company to evaluate the costs of pipe versus powerlines. The power is coming from WECCO, and the District's waterline is at Innova Tech. There has been research on water quality in the WECCO area in addition to their discharge permit from the Division of Water Quality. They are discharging things that could be explosive and that could be harmful to the environment, so far, they haven't had any issues. It would need to be at least 1 mile from WECCO heading towards Cedar Valley. ▪Melling-Asked if there are any power estimates? ▪Monroe-Has a couple of estimates that say for a mile it could be \$50,000-\$60,000. ▪*There was some discussion on the cost of the power and pipeline.* ▪Monroe said to have Willowstick come down and survey it would be \$3,500 for 1 day which is about 40 acres or \$6,500 for a bigger area. ▪Gary Player asked if anyone ever tested the quality of the water at 2000 flushes? ▪ Monroe-Said yes, but it has been a while. ▪*There was some additional discussion about drilling the test well in Basin 71.*

Board Member McCrea motioned to have Willowstick do a 1-day survey to find a well location in Basin 71. Second by Board Member Melling 2nd. Motion Unanimous at 7:21 PM.

Spencer Jones left the meeting at 7:19 PM. Tracy Feltner left the meeting at 7:20 PM.

PINE VALLEY WATER SUPPLY PROJECT: UPDATE, DISCUSSION, & CONSIDER THE APPROVAL OF AN UPDATE TO THE FINANCIAL BUSINESS PLAN AND WATER NEEDS ASSESSMENT:

▪Monroe- Said that most of the changes to the Water Needs Assessment and Financial Business Plan have been the financial changes, primarily the cost of inflated local water rights, which have made a large impact on how the projects in the basin are viewed.

▪*There was some discussion on the water rights that Cedar City bought in basin 71 and the cost of those rights versus the cost of the Pine Valley(Basin 14) project.* ▪Crane-Said they met with Transcon and discussed strategy; things are moving slowly.

Board Member Melling motioned to Approve the Adoption of the Water Needs Assessment and Financial Business Plan Report. Second by Board Member McCrea. Motion Unanimous at 7:25 PM. (55:07)

Spencer Jones returned at 7:26 PM.

WATER CONSERVATION: AQUIFER RECHARGE, REUSE WWTP WATER & SUBSIDENCE MONITORING:

▪Monroe-Said there is a new application through the Governor's Office of Economic Opportunity, it is a cooperative project with Cedar City and Iron County on the recharge (this is the funding that Joel Ferry talked about). ▪Monroe-Said on the WWTP there hasn't been a lot of work done on that this month, need to get working on the project to bring the water over to the east. (56:17)

GENERAL MANAGER'S REPORT: OPERATIONS & PUBLIC EDUCATION:

Monroe-highlighted the operation side the summer help located the fire hydrants, meters and valve cans using the new GIS instrument. They were able to get about 90% of the system done. If there has been any new construction, we have been able to walk the pipeline and know where it is at.

▪Monroe-said Jess is doing a good job with Public Education, been pushing different conservation measures. Enoch has approved the needed ordinance for the turf buyback incentive. The State will pay \$1.50 per sq foot for that. Enoch and Cedar City are now eligible for the turf buyback. The water District customers aren't yet eligible for that. The county needs to adopt an ordinance first. Jess is also working with the Home Builders Association to do an award for water-wise landscaping in the Festival of Homes. ▪*There was some discussion among the board members about xeriscaping.*

BOARD MEMBERS REPORT: ▪Melling-Cedar City's water master plan has been in the works for a couple of years, the consultants have received all the parameters. They aren't ready to go to a public body approval. He said Paul M is the chairman of The West Desert Watershed Council. It will be important because they make recommendations to the body over the Great Salt Lake Watershed. It isn't a policy-making body, but it is one that will be listened to.

▪McCrea- Said has been putting together a water strategy for the region. ▪Hunter-Offered his resignation on the Board as he has put in his papers for an LDS mission, effective no later than the October board meeting. ▪*There was a little bit of discussion about how to proceed with his resignation. (1:09:25)*

ENGINEERING REPORT: ▪Crane-said the design of the concrete tanks at Cedar Highlands and out west are moving forward, Sunrise has 60% of the design drawings done. He said they anticipated getting a prequalification done, they have prequalified the contractors they would like to bid on the project. He thinks it will attract a few different contractors because it is a big project. They want to get the bids going within the next month so they can get it on the contractor's schedules for next spring. ▪*There was some discussion among the Board about the size of the tanks and the qualifications of the contractors. Monroe-Cedar Highlands is having their election to see if the District can use some of their property to put the tank on.*

NEXT MEETING DATE: October 19th (September 2023 Board Meeting will be canceled).

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 McCrea. Motion Unanimous at 7:56 PM.

Roll Call as follows:

Melling-Aye

Harris-Aye

Hunter-Aye

Allred – Aye

McCrea-Aye

Board Member Jones motioned to adjourn the closed session and resume the regular session Board Meeting. Second by Board Member McCrea. Motion unanimous at 8:42 PM.

Jones-Gave direction to the staff to draft a settlement agreement with BJG that provides them with a stock water connection including 1 ac/ft and waives the impact fee. (This was regarding an agreement for an easement from years ago).

Board Member McCrea motioned to adjourn the regular session Board Meeting. Second by Board Member Jones. Motion unanimous at 8:43 PM.

Meeting Adjourned at 8:43 PM.