



BOARD OF DIRECTORS PUBLIC HEARING & MEETING  
CENTRAL IRON COUNTY WATER CONSERVANCY DISTRICT

Board Members in attendance- Brent Hunter (Board Chair), Paul Monroe (District Manager), Paul Cozzens, John Black, Tim Watson, and Spencer Jones. Rick Bonzo and Keith Williams have been excused from this meeting.

Others in attendance-Justin Wayment (CICWCD Attorney), Kelly Crane and Curtis Neilson (District Engineer Ensign Engineering), Doug Hall (CICWCD Water Conservation Advisory Board), John Juergens (CICWCD Water Superintendent), John Balph (Homeowner-Customer), Terry Smith (Rural Water of Utah), Linford Nelson (CICWCD Customer and Landowner).

Brent Hunter called meeting to order at 6:34 PM (9:40)

**6:30 1. Declaration of abstentions and/or conflicts of interest by Board members**

No abstentions and/or conflicts of interest at 6:35 (10:00)

**2. Consider approval of minutes from the meeting held May 15, 2014.**

Paul Cozzens motioned to approve the minutes from the meeting held May 15, 2014.

Second by John Black

Motion passed unanimously at 6:35 PM (10:49)

**6:35 3. Financial Report**

**1. Consider approval of adjustments and payment of bills from May 10, 2014 through June 13, 2014.**

Paul stated that there is an annual charge for our chlorine tablets. John J. ordered a whole pallet.

Also, we have ordered two Lenovo Tablets for our water operators so that they can make adjustments and manage the system from the field. We are hopeful that they will be able to use these tablets as GPS units. (12:37)

Paul Cozzens asked about the payments being made to the IRS. Paul Monroe stated that we are making payments on the issue from 2008 that will be reimbursed to us in the event that we win our appeal. (13:23)

Paul M. also covered the illegal connection that was made to our fire hydrant in Chekshani Cliffs.



Paul Cozzens motioned to approve the adjustments and payment of bills from May 10, 2014 through June 13, 2014.

Second by Tim Watson

Motion passed unanimously at 6:40 PM (14:42)

## 2. 2014 Budget:

Paul stated that we are 50% through the year. Our connection fees are up this year, we have already received 100% of our projected income on those fees. We are only at 40% on our Utilities, Paul stated that he thinks that the work being done by our staff is making the difference in our power costs. Brent asked about the Legal Fees line, Paul said depending on how things go, we may be over budget this year on legal fees. (16:36)

## 6:40 4. Water Rate Analysis:

Paul turned over the time to Curtis Neilson and also introduced an independent 3<sup>rd</sup> party from the Utah Rural Water Association, Terry Smith, to review and recommend where we should be with our water rates. The discussion was started with the increase of the base rate from \$25.00 to \$30.00. Next, the tiered rates being increased to bring the average customer billing by around \$10.00 per customer which is the required MAGI for 84720 and 84721. (21:06) By implementing just the water rate increase it would bring the revenue of the district up \$80,000.00 annually. Curtis stated that you want your revenues to cover your operation and maintenance, Kelly stated that that is an important point. This increase is needed to just cover our operation and maintenance. At this point we are relying on tax funds to cover O & M. We would like to narrow our loss gap. (24:16) Paul referred again to the Cash Flow Statement which is included in the minutes of this meeting, he discussed the cash flow statement for a few minutes. Paul also stated for the information of the board members that there is another sheet included that shows our power costs. The cost to deliver water in electric cost alone is on average \$.47 per thousand. This increase would be required if we were ever seeking funds from any of the state agencies. Terry Smith addressed some things this isn't an actual requirement but this increase would be needed to be in a more favorable position with those entities that you would receive funding from. Terry said that it would improve your interest rate, but would really come more into play when you are looking at Grants. Terry also stated that he believes we have done everything we can to operate at the rates we are at, and that this increase will be necessary.

(28:15) Spencer Jones stated at 6:54 PM that there are other things that factor in to this increase. Projects that are big like they West Desert will need to be included with our increases here, will or do these rates include those types of future projects? Paul said that at this point it doesn't cover those projects. This increase is a 20% increase. Paul said that he didn't feel like we could impose a



higher increase at this point. Paul also stated that on average our power costs have increase around 3% annually but we haven't increased our rates in almost ten years. The board held a short discussion on including in our policy an annual increase. (31:26) Curtis said that the Utah state tax commission comes out with an annual report that shows the MAGI, this is the same report that the Division of Drinking Water uses to set their rates. The board agrees that we should be looking annually at our rates to avoid getting into a situation where we have to make a huge jump in rates. The board would like to reevaluate our rates when we are planning our 2015 budget. Paul Cozzens asked what our average demand charge is each month. 7:01 PM John J. reported that last week he was able to get Derby #2 up and running correctly, this is alleviating a lot of the demand on the rest of the system. Discussion on other possible ways to lower the demand charge continued until 7:04 PM (38:54)

Spencer Jones motioned to close our regular meeting and open into Public Hearing portion of our meeting.  
Second by Paul Cozzens  
Motion passed unanimously at 7:05 PM

**Public Hearing Began at 7:05 PM (39:20)**

**6:50 5. Public Hearing on Water Rates:**

John Balph (CICWCD customer from Chekshani Cliffs) stated that he thinks that it would be a good idea to wait for a year or two before we enact another rate increase with this increase being so substantial at 20%. He understands the increase being what it is since we haven't had an increase in such a long time. Brent and Paul agreed that that was a good point and it would be taken into consideration.

Doug Hall stated that he is glad that we are getting to the point where we (the district) is going to increase the rates and moving away from using the taxes to operate the water district.

John Black motioned to close the Public Hearing Portion of the meeting and rejoin our regular meeting.  
Seconded by Spencer Jones  
Motion passed unanimously at 7:10 PM (44:56)



**7:00 6. Consider Approval of Resolution of Water Fees:**

Paul wanted to point out the breakdown of other water service rates. He also discussed the Commercial, Agricultural, and Secondary water rates. The only other change to the water resolution is that the billing due date will go from the 15<sup>th</sup> of each the month to the 25<sup>th</sup> of each month. Paul stated that he wants the due date changed to accommodate our customers.

Tim Watson asked if we wanted to increase the One Time Paperless Bill Credit from \$25.00 to \$50.00 through the end of 2014. January 1, 2015 the credit will revert back to \$30.00. The board agrees that this increase will be a good incentive to urge people to use this service.

Tim Watson motioned to approve the Resolution of Water Fees with the mentioned alterations and the One Time Paperless Bill Credit increase through December 31, 2014.

Spencer Jones Seconded

Motion passed unanimously at 7:19 PM

Roll Call is as follows: (53:13)

John Black-Aye

Paul Cozzens-Aye

Spencer Jones-Aye

Tim Watson-Aye

Brent Hunter-Aye

Signed Roll Call included with minutes of this meeting.

**7:05 7. Cedar Highlands Spring Five: Update & Possible closed session for water rights acquisition.**

Linford agreed to stay until the closed session. Spencer verified with Justin that is okay to invite someone into the closed session portion of the meeting.

**7:25 8. Consider Approval of Purchasing Policy:**

Tim Watson would like to still see us add into our Purchasing Policy the requirement that 75% of materials (54:45) be provided by local distributors. Spencer would like for us to get a local distributor on board to carry everything we need. Locally we have Peterson Plumbing, Southwest Plumbing, and Standard Plumbing. Spencer stated that with things like hydrants, it is very territorial. Even if some of our local stores wanted to carry an item it is possible that they wouldn't be able to. Paul C. stated that in instances like this he would really like to see quotes from at least two dealers just to keep them honest. Tim said that even though some of the Scholzen's employees are from our area the majority of them are not in our tax base. The board members all agree that that is important to get as much back into our tax base. Spencer thinks that we also



need to put in a requirement to have all of our major projects to have to file with the state construction registry website. (1:04:07) Kelly believes that it would be very easy to figure in the 75% on any bids that we have. He also said that our bids are registered. 7:31 PM (1:06'06) Discussion on Purchasing Policy continues until 7:32 PM Paul told the board that he would make the additions to the policy and he will have it ready for next month's meeting. (1:06:54)

**7:30 9. Consider Approval of 2013 Audit of CICWCD Financial Statements:**

Last month we had the presentation by Auditors - Kimball & Roberts. The audit went very smooth, our accounting software and their customer support is outstanding in providing documents and preparing for the audit. Rick Roberts reported that there were no findings or material findings that they needed to report, and that the District is in a very good position. The Districts financial position increased by over \$300,000.00. A couple of things he attributes this increase to is being frugal and also paying off outstanding debts.

Paul Cozzens Motioned to approve the 2013 audit  
Spencer Jones Seconded  
Motion passed unanimously at 7:33 PM (1:07:50)

**7:35 10. Water Conservation: Update**

John, Tracy and Mike got the controller installed at Three Peaks Elementary. We are still waiting on Southwest Plumbing to get us the correct flow meter. Doug Hall stated that he spoke with Candace yesterday. She had her intern out at Three Peaks testing the system. He really liked the fact that he could control the system and zones with his cell phone. Doug also spoke with Wolly from Cedar City and we have worked out some of his concerns with his system. Doug spoke of some other key reasons for the need for these water systems. He concluded at 7:41 PM (1:15:40)

**7:40 11. Wah Wah and Pine Valley: Update & Possible closed session for water rights acquisition.**

Paul and Curtis presented the possible places for well drilling and also discussed the path of least resistance for water coming from Wah Wah as far as elevations and power generations. Paul is excited to see how much of this project we will be able to make a "Green" project. 7:44 PM (1:17:40) Paul believes that the project will be a great one, he says he was very surprised at how open the South end of the valley is in Wah Wah. Paul will be attending meetings tomorrow that will hopefully give us more information. 7:47 PM (1:22:00)

**7:45 12. Aquifer Recharge: Update**

Paul has started the application process with the National Guard. They are still working on the process of getting it through and on the calendar for a summer project. We are hoping to start in 2016. (1:22:48)



**7:55 13. Regional Aquifer Balance Project: Update**

We received the test results back that Brent, John and I went out and took at Rush Lake. The only high result was the TDS and it came in around 700. The results show that it is good drinking water. Paul also went this last week and tested five of the windmills in the Mud Springs area. We should have those results next week. (1:25:20)

**7:55 14. Subsidence Monitoring:**

Nothing new to report.

**8:05 15. General Managers Report:**

Next meeting date will be July 17, 2014 (1:25:40)

**8:10 16. Request Closed Session: for legal and personnel matters**

Spencer Jones motioned to adjourn the regular meeting and go into closed session

John Black Second

Motion to adjourn the regular meeting and go into closed session passed unanimously at 7:51 PM (1:26:00)

**8:15 17. Adjourn**

Regular Session reconvened at 9:22 PM  
Tim Watson motioned to adjourn  
Second by Spencer Jones  
Motion passed unanimously at 9:22 PM