

BOARD OF DIRECTORS MEETING
CENTRAL IRON COUNTY WATER CONSERVANCY DISTRICT

April 18, 2013

BOARD MEMBERS PRESENT: Brent Hunter, Tim Watson, Rick Bonzo, Paul Cozzens, and John Black

Others present: Kelly Crane (District Engineer), Justin Wayment (District Legal Counsel), Paul Inkenbrant (Utah Geological Survey), Hugh Hurlow (Utah Geological Survey), Doug Hall (Self), Matt Dugdale (George K Baum), News Reporter Kristen Daniel (Iron County Today).

Chairman Brent Hunter greeted everyone and called the meeting to order at 6:30 P.M.

AGENDA ITEM #1 Declaration of Abstentions /Conflicts

Tim Watson abstained from the approval of meeting minutes from March 21, 2013, because he was not in attendance.

Rick Bonzo motioned to approve Tim's abstention

Paul Cozzens seconded the motion

AGENDA ITEM # 2 Approval of minutes of meeting on March 21, 2013

No corrections or additions made.

Rick Bonzo motioned to approve the minutes as written for the meeting held March 21, 2013.

Paul Cozzens seconded the motion

The motion passed unanimously.

AGENDA ITEM #3 Approval of payment of bills from March 16 through April 11, 2013

Rick B. questioned the high amounts paid to Chem-Tech Ford laboratories. Paul M. answered stating that the tests reflected on these invoices are conducted only every three years. Paul M. addressed the payment to Ensign Engineering. We didn't receive an invoice for December 2012 and that was included in this last payment.

Tim W. questioned payment to Home Depot. He wanted to know if it was paid monthly and if we were charged taxes and interest. Mandi Williams stated that the account is paid monthly and that we are listed as tax exempt but she wasn't sure if the district is charged interest and if so what that interest amount is.

Paul M. stated that the PEHP payment will be lower next month. He also pointed out that the cost to supply water to the mine was around \$4000.00, and the revenue coming in from the mine surpassed the costs. Tim W. questioned the charge for the Derby #2, why it is so much greater than the others. Brent H. made clarification that Derby #2 is not only a well but a 200 horse power pumping station that is the main supply for water pumped to the Three Peaks Tank.

Paul Cozzens made motion to approve payments

Tim W. seconded the motion.

The motion passed unanimously.

Paul Monroe took a few minutes to discuss the budget as it currently stands. He also let the Board know that we are striving to be more financially observant and have a better tracking system for where the District's money is going.

Paul M. highlighted a few areas that he wanted to Board to be aware of. First, is the West Desert monitoring; second, the corrections that were made to payroll; and finally, last year at this time \$13,600.00 was paid in Impact Fees and we are over \$20,000.00 so far this year.

AGENDA ITEM #4 Refinancing Bonds

Paul M. turned the time over to Matt Dougdale with George K & Baum Co. to discuss options for the refinance of our bonds. Matt gave examples of options that the Board could look in to. George K & Baum Company does not get paid unless they can save the district money and suggested that the board take a closer look at the 15 to 20 year options. This would increase the payment by \$100,000 to \$200,000 per year but would result in a total cost savings of \$250,000 over the life of the bonds. Brent H. asked for a timeline, Matt stated that from start to finish it is about 90 days for George K & Baum Co. to complete a refinancing. Matt's presentation was followed by questions and answers between himself and the Board. Brent H. addressed the benefit for the district in the future and advised the board that it is something that should be looked into further. Matt stated that though there is no guarantee on interest rates, he advised that the district needs to watch for those interest rates to rise.

Brent H. gave his recommendation and approval for Paul M. to analyze this further and would like to revisit this agenda item at the next meeting.

AGENDA ITEM #5 Water Conservation

Paul M. invited Candace and Chad to discuss some of their plans, and stated that it would be nice for us all to be on the same page for future plans and direction.

Candace talked briefly about classes and programs. She is in the process of hiring an intern for help for the water check program. The QWEL program is another big program that is geared to educate landscapers and provide the end user with a water conscious landscape. This is a program started in California that Candace adapted to fit Iron County. Now the state of Utah has now adopted this program. Paul M. asked about ways that Candace has been able to get the word out about the QWEL program, and if there was any incentive in place for people to be QWEL certified. Candace stated that most correspondence she does is done thru email. (Discussion continues on incentives for QWEL program and other possible incentives.) Chad discussed The Smart Timer and/or drip systems as good products to possibly offer rebates on. Chad promoted that with a drip system a person can easily save 25% of water usage.

Paul C. addressed putting together a Water Conservancy Board. He has spoke with different people whom have expressed their interest in this kind of a board. Paul C. instructed each member of the board to email Paul M. a suggested name for this board. John B. remarked that the board should be set up with reps from all the involved areas. He commented that the people selected for this board should be able to make a plan and follow through with action.

Tim Watson made a motion to start looking into a conservation board and would like Paul and Candace to work together to put this board together and in addition to this he would like them to start looking into grants and rebates for these programs.

Brent H. clarified the motion to have a report from Candace at the next meeting; he directed Paul M. and Candace to have a list of objectives and goals that are measureable and attainable at the next meeting.

John Black seconded the motion

The motion passed unanimously (1:04:50)

AGENDA ITEM #9 Aquifer Recharge

Paul M. introduced Paul Incerbrant and Hugh Hurlow from Utah Geological Survey (UGS). In a previous meeting two months ago Paul M. visited with UGS staff on the recharge plans in Iron County. The UGS staff came to the conclusion that the majority of interest was in utilizing Coal Creek water before it got to Quichipa Lake and possibly pump it uphill to recharge Cedar City wells. (1:06:28)UGS proposed a three stage study which included possibilities for additional and enhanced artificial recharge in the aquifer below the Cedar Valley. They learned that Cedar City has been performing some artificial recharge in the gravel pit at the airport, which could serve as a model for what our water district wants to do, or how artificial recharge with work in this area.

The three areas of emphasis include: (1:07:25)

First:

Determine the location for a rapid infiltration basin near the Bumblebee Mountain:

Hugh H. said they would, Look at the idea of utilizing Coal Creek overflow during high flow years and piping it up to the southwest part of the valley and look into the geological setting of the aquifer material that the ground water would infiltrate into to and get an idea of the most likely travel path and total volume of water.

Second:

UGS will examine the feasibility of using existing gravel pits or new sites near Cedar City for infiltration of available Coal Creek water. Possible sites for study include gravel pits north of Cedar City and west of Interstate-15, and eastern Cedar City Valley immediately northwest of the Cross Hollow Hills. UGS will compile existing geologic, hydrologic, and geophysical data to characterize the geologic setting of possible recharge areas, and review existing water-quality data. We may recommend additional water-quality sampling as part of the feasibility study. We will collect new gravity data to supplement existing data, to better characterize the subsurface geometry of these sediments. We will examine clast lithology of sediment deposited by Coal Creek to determine the different upstream sources of the sediment load in Coal Creek.

Although it isn't mentioned in the proposal, Paul I. did address the importance of a pilot well above the location we are interested in. It can show us what the geologic structure is as well as the sediment below. It was also stated that this pilot well would be a great starting point and also a great access point for storage and recovery in the future if needed.

Third:

UGS will conduct geologic and geophysical studies to determine flow of groundwater recharged in a gravel pit at the southwest end of Cedar City Municipal Airport, an ongoing project of Cedar City. UGS will identify possible existing monitoring wells to identify water-level changes

caused by the infiltration, measure water levels in these wells before, during, and after infiltration, and conduct a high-precision gravity survey during the same time frame. High-precision gravity surveys can measure and track the change in mass caused by the infiltrated water. These data will likely result in a series of maps showing the growth and movement of the groundwater mound created by infiltration in the gravel pit. Cross sections through the basin-fill deposits will identify the most likely aquifer(s) that receives the infiltrated water. A schematic map of the thickness of basin-fill deposits will help characterize the geologic setting of the project area.

(1:11:40) They believe that an area close to these gravel pits is already monitored by the USGS so the information will be a great resource for us. Due to some of the water quality restrictions they would look closely at the geochemical data that our district has already been collecting, also the use of some very sensitive gravity measurements to measure the change in mass below in the infiltration. This is done by a set of repeated measurements over time with a very sensitive meter. To track building and disbursement of the ground water related to the infiltration.

(1:13:30) Two basic things you want to make sure of: Make sure the water is getting to where you need it to be and that the water is not negatively impacting the aquifer.

They would like to hear back from us at any time, work can start as soon as July 1, 2013. Paul M. was given the okay to follow up, analyze and have more information on cost matching and anything additional by the next meeting. (1:27:00)

Paul M. gave a presentation on that he and Gary Player have talked about, for building a 6000 ac/ft reservoir just above Rusty's Ranch house. To divert the water out of the channel coming out of the canyon, and use this as a way to store water, slow down and settle out the sediment from coal creek, and possibly be used for recreation and secondary irrigation systems. Gravity will feed this reservoir and have numerous options on how to use this water. Brent H. states that this gives us a more economical way to save and supply water for a number of uses.

Discussion on the direct and indirect benefits of a reservoir, and how to save the water we have. (1:40:45)

AGENDA ITEM #6 Water Rights Lease Policy

Paul M. questioned the board about any thought or any ideas that should be presented to himself or Justin W. about the lease and purchasing policies. (1:43:08) Justin W. addressed the fact that this water lease policy isn't just needed in one area. It is needed to cover all water leasing, and what is going to be the most beneficial to everyone involved. Paul M. and Justin W. plan on meeting together and putting something together. There was no direction or opinion from the board. This agenda item will be revisited next month. (1:53:31)

AGENDA ITEM #7 Cedar City Economic Development

The Economic Development Board asked the district to nominate someone to sit on their board.

Rick Bonzo made the motion to nominate Tim Watson to the Economic Development Board.

Paul Cozzens seconded the motion

The motion passed unanimously. (1:54:50)

Tim Watson has agreed to be appointed to the Economic Development Board.

AGENDA ITEM #8 Old Meadows Ranchos

After a vote with 17 ayes of 21 residents in the Old Meadows Ranchos Subdivision they have made the initial effort to apply to become part of the district.

Kelly went over the projected cost to take over this system. A ballpark figure is about \$200,000.00. Tim W. is concerned with the district taking over a system that is not up to date with district standards. Tim W. would like to let them deal with their own issues before we take over their system rather than absorbing the cost of updating the system. Kelly said, because of new state standards it is almost impossible for a little system to get funding to replace their system. The state would refer them to the water district, and at that time the state will fund us. The subdivision could still pay for the improvements but we would help with the funding packages. The subdivision would probably qualify for a grant which would help tremendously because this is a very poor area. Paul M. informed the board that we are still waiting to receive the "application to join" from the subdivision. (2:04:00)

AGENDA ITEM #10 Woods Ranch

Paul M. met with Dave Miller and went to the site. Dave made it clear that he only wants the district to be in charge of sampling and inspections. Not to take over the system as a whole. (2:06:18)

AGENDA ITEM #11 Wah Wah & Pine Valley

Executive Session

AGENDA ITEM #12 Consider Approval of Personnel Policy & Handbook

Paul M. went over what we've put together for our Personnel Policy. Paul C. was concerned with comp time. Justin W. stated that putting our water operators on salary is not an option. Tim W. would like to utilize the taxes that are paid to its fullest extent, he would rather have us pay a higher hourly rate rather than stay competitive with the overtime and time off offered. John B. explained that a policy manual is only as good as the administrator that is overseeing its policies. Paul C. would also like clarification on the sick leave policy at our next meeting.

Due to the time restraints John B. suggested that they take the handbook, review it and revisit this at next month's meeting. (2:17:39)

AGENDA ITEM #13 Other Items:

Mandi Williams spoke with Ryan Roberts with the State Auditor's office about the options for training the board needs to be in compliance with the UT Code 17B-1-312. Ryan said that he can come and provide the 2-3 hour training for our board. Or, the board has the option to do this training online. This training is required and specific to local and special service districts, so the items covered are different to trainings the board members have received thru their current positions. Kelly made the board aware that this training protects the board members. (2:22:17)

Kelly C. stated that our Master Plan is outdated by 8 years. It was last done in 2005. The Division of Drinking Water can fund this update to our Water Master Plan thru a zero % interest loan. There has also been talk about doing a Master Plan Update, the cost projection is \$20,000.00 to \$25,000. Kelly said that Ensign Engineering can do this update for us and get this moving along. The board is in favor of moving forward with the Master Plan Update.

(2:25:35)

Adjourned to Executive Session to discuss personnel matters and the sensitive nature of Agenda Item #11

Rick Bonzo motioned that we move into executive session at 8:58 pm.

Paul Cozzens seconded the motion

The motion passed unanimously.

Roll Call-Tim Watson: Aye

Paul Cozzens: Aye

John Black: Aye

Rick Bonzo: Aye

Brent Hunter: Aye

Paul Monroe: Aye

Moved to Executive Session at 8:59 pm.

AGENDA ITEM #14 Adjourn Meeting:

Reconvened at 10:05 pm to regular meetings

John Black motioned to adjourn the meeting

Paul Cozzens seconded the motion

Motion to adjourn passed unanimously

Meeting adjourned at 10:07 pm