



****DRAFT****

BOARD MEETING MINUTES
December 18, 2014

BOARD MEMBERS IN ATTENDANCE: Board Chair Brent Hunter; Board Members: John Black; Paul Cozzens; Rick Bonzo; Tim Watson; Spencer Jones.

STAFF PRESENT: District Manager Paul Monroe; Office Manager Mandi Williams

OTHERS PRESENT: From Ensign Engineering-Kelly Crane; Curtis Neilson. Carollo Engineers-Clint Rogers. Enoch City Manager-Rob Dotson, Roice Nielson.

CALL TO ORDER: Board Chair Hunter called the meeting to order at 6:42 PM and introduced our new meeting procedure to include the Pledge of Allegiance and Prayer. Kelly Crane led the Pledge of Allegiance. Board Member Jones gave the prayer.

DECLARATION OF ABSTENTIONS AND/OR CONFLICTS OF INTEREST BY BOARD MEMBERS: No abstentions by Board Members

CONSIDER APPROVAL OF MINUTES FROM THE PUBLIC HEARING AND MEETING HELD NOVEMBER 20, 2014: Board Member Bonzo moved to approve the minutes; second by Board Member Jones; vote unanimous at 6:42 PM (03:08)

FINANCIAL REPORT:

1. Consider approval of adjustments and payment of bills from November 18, 2014 through December 15, 2014:

▪Monroe-will the board Members take a few minutes and review the payments and adjustments. For the boards' information, there has been a situation on the CML Metals water line. The mine has closed but there is still a customer with a livestock connection. The demand charge to pump on that line is \$2,000.00 minimum. The user's highest use is around 73,000 gallons of water. It would be beneficial for the district to install a pump or tank to help alleviate the demand charge. ▪Crane-we could buy a cheap pump and pump just to this customer. ▪Monroe-I will talk to Kelly about fixes for this concern. Board Member Cozzens moved to approve the adjustments and payment of bills; second by Board Member Bonzo; vote unanimous at 6:45 PM (6:23)

2. Review 2014 Financial Report: ▪Monroe-If you will look at the first page of the standard financial report, it shows a snapshot of how much cash we have on hand. The actual 2014 budget looks really good. In our water revenue line it looks like we will end the year at close to \$560,000.00 and we had budgeted \$460,000.00. Everything else is right on task and in line. We moved money from our contingency line to our legal line. The Capital side of the budget hasn't changed in past couple of months and the bottom line is looking to clear over \$600,000.00 when we had only projected we would clear \$305,000.00. (8:19) ▪Hunter-that is wonderful, it isn't often that you see things like this in government. ▪Monroe-we have had obvious benefits from



the Mine being on. ▪Bonzo-Paul how do you think it is going to affect us with the Mine not running? I know we have the budget set but what if it comes back on halfway through the year? ▪Monroe-We have the option of amending the budget, or putting the money aside to pay towards our bigger projects.

There was discussion for several minutes about what the district has heard about the closing of CML Metals and if the Mine is going to reopen. Discussion ended at 6:51 PM (12:03)

CONSIDER GRANT APPROVAL FOR ENOCH CITY AND PRESENTATION BY ROB

DOTSON: ▪Rob Dotson-I appreciate being here tonight. Part of being a good steward of water is understanding water. Over the years we in Enoch have been discussing water resources and with our limited funding and ability to do certain things we have done a pretty good job with the things we are moving on.

One of the things we need to understand, is that everyone knows where the water is but in my experience that is not always the case. We know that some wells are drilled and there is no water there (13:25). Enoch City is working very hard to truly understand where the water is. Enoch City in conjunction with other water users, even users outside of the city boundaries are trying to start a project that your district has some interest and documentation.

Enoch City has been working with the 10th grade grandson of Kal Kahler. (13:56) We would like to understand how our water affects others and how other's water affects Enoch. Some of the studies have been done already by UGS and also the water district. Enoch would like to conduct some testing on some wells within the boundaries of Cedar City; the Water District; and Enoch. The one issue we've run into is funding for these studies.

Enoch City is seeking \$5,000.00 from the Water District to start some of these long term geochemical studies. Studies like these have been able to show where the water is moving underground. (22:04) The data gathered through the years will be beneficial to the entire area.

7:02 PM ▪Crane-as they gather this information it can be added into the 2001 model. It would be very wise to invest. ▪Bonzo-if the District decides to grant funds, will we be kept updated?

▪Dotson-The whole project will only take about a month, I would gladly update you, and please keep in mind that all of the engineering and professional fees are waived, these professionals are overseeing this project for a 10th grade grandson

▪Black-How much of a positive impact would it be to get some of the Cedar City wells?

▪Crane-The more information the better the model would be. To continue to improve this model would be beneficial to everyone. ▪Jack Barnett-Agrees with Crane, and would encourage the young man doing the project to seek free advice from the UGS to make sure that the information being submitted is compatible with the 2001 model. (27:48)

▪Watson disclosed that he is the Enoch City Engineer but doesn't feel that it is a conflict of interest. ▪Jones also disclosed that he is a Member of the Enoch City Water Board. Board Chair agreed that there was not a conflict of interest. Board Member Bonzo moved to approve the request for funding up to \$5,000.00; second by Board Member Cozzens, Cozzens asked that Dotson would approach Cedar City Council for access to the wells; vote was unanimous at 7:12 PM (32:30)



**PRESENTATION: PLANNING AND DEVELOPING THE WEST DESERT PROJECT
BY JACK BARNETT OF BARNETT INTERMOUNTAIN WATER CONSULTING:**

▪Jack Barnett-The Water District is on a firing line. Years down the road you will all be looked at as patriarchs and who are sometimes referred to as Water Buffalos. Have any of you read the recent articles in the Deseret News? Well they've posted articles on Sunday Monday and Tuesday. The District was quoted in those articles, and I would encourage Paul and the District to subscribe to the major Utah newspapers, Deseret News & Salt Lake Tribune. I would also encourage any board Members who've not made it out to the Pine and Wah Wah Valleys to do so. Barnett presented to the board quotes from those articles which discussed the issues of subsidence and over-drafting the aquifer in Iron County.

Barnett then explained what has been happening in Arizona over the past several decades of over drafting aquifers and subsidence and how they managed to mitigate this issue through importing water from their share of the Colorado River Compact. The Central Arizona Water Project moves water through a series of canals, pipes and reservoirs from the Colorado River to Phoenix and Tucson. It is then delivered to agricultural users and well as municipals for drinking water. I would not directly compare what has happened in Central Arizona to what you are doing here, but I think it is very similar and worth some time and thought to explore their situation. Barnett put together a power point presentation for the board meeting on the water situation in Arizona. During the presentation there was discussion on the situations and planning strategies in Central Arizona.

- Barnett- I would gladly facilitate a trip down to Arizona to have a close look at the way the ground water management is administered. I believe that you can learn from them (50:46).
- Jones-do you know dollar wise how much that project was? I'd be curious to know what the cost was, and how they fund that. What are the rates to the average connection? ▪Barnett-No He doesn't have amounts at this time, but the distances they had to cover were much greater. Several other questions & comments were discussed by the board Members. ▪Barnett-Before I conclude I would like to discuss the Las Vegas water situation. When Las Vegas saw that they were taking their 300,000 ac/ft, then they concluded that they couldn't allow any more development unless the developer brought in a guaranteed 100 year water supply. Well, that lasted about six months. Then the politicians got word from the developers and that all went out the door. So now Las Vegas is back to, "Go ahead and develop, we'll find water." Now that is their fight, they are trying to get water out of Northern Nevada. They are thinking about a desalination plant on the Gulf of Mexico and California. They've even stored some ground water in Arizona so that they could have some water for the future. Now, back to Arizona, they were almost to a point where they had to stop development, but then they sprang to life because of the Colorado River water. If you are in Phoenix or Tucson Arizona, you will pay a totally different water bill then if you were in Anthem, Arizona. The older communities are blending their costs. In the new places like Anthem you will see a higher cost in water then in those older cities because of the Colorado River water. Again, if you as a board want to go down to Arizona, I would be glad to arrange it.
- Cozzens- Is Las Vegas NV really in big trouble? ▪Barnett-Yes, they are in big trouble, but they are gamblers. They are working the system every way they can think of. Trying to find



and buy and move and sue in attempts to get water. It is not quite as bad as it sounds. Nevada worked a neat deal. There was virtually no water coming out of Las Vegas area into the Colorado River, naturally flowing, before the development, except some of the naturally flowing springs that created Las Vegas and then went down Las Vegas Wash. These springs only produced a very small amount of water. The deal they made said that anything that goes down Las Vegas Wash and back into Lake Mead, they get credit for. So if they take 300,000 ac/ft up and they get 200,000 ac/ft down Las Vegas Wash, they can take another 200,000 ac/ft out of Lake Mead. Then that means they will go down and get another 150,000 ac/ft going in and they can pump that up, and around and around. In addition to that once they take the Colorado River water and run it down the Las Vegas wash it is really cruddy water that flows into Lake Mead, but that isn't where Las Vegas put their pumps. They put their pumps away from where the wash flows into Lake Mead. This causes Lake Mead to become like a blender for the bad quality water coming out of the wash and the good water in Lake Mead, and Las Vegas gets to pump the 600 part water. ▪Bonzo-If they ever get water out of the Caliente area, will they blend that to? ▪Barnett-That would be their plan yes. Thank you for your time ▪ Monroe-Thank you Jack for coming down and for all your insight and wonderful ideas. Concluded at 7:38 PM (59:27).

CONSIDER APPROVAL OF: 2015 BUDGET; 2015 HOLIDAY AND MEETING SCHEDULE; SECONDARY WATER RATES; CONSTRUCTION/FIRE HYDRANT

USE; IMPACT FEES: ▪Monroe-I've made the changes and recommendations from the board to the 2015 Budget. If there are any other concerns as we go through the year please remember that we can amend the budget. The Public Hearing was held in November 2014 for the Budget, water rates, and impact fees. ▪Hunter-We've talked about this a lot, is there any further discussion? If not I'll entertain a motion to approve all of this. ▪Bonzo-Did we get any public push on this? ▪Monroe, we only had some questions on the fire hydrant rate and Impact fees, after discussion and explanation they were okay with the changes. ▪Watson-Is \$50,000 going to be enough for the project at Woods Ranch? I don't think this will even cover the pumping. I mean just the predevelopment on the 8" Enoch test well was \$100,000.00. I think if we want to look at doing this in 2015, we need to look at this.

There was discussion on Woods Ranch and the allocated budget funds, no changes were made. Board Member Bonzo moved to approve the 2015 budget the way it stands; the 2015 holiday and meeting schedules; the Secondary & Fire Hydrant base rates; and Impact Fees. Second by Board Member Cozzens; vote was unanimous at 8:02 PM (1:23:50)

CONSIDER APPROVAL OF MR. BLACK WATERLINE EXTENSION

AGREEMENT: ▪Wayment-changes that I have made to the agreement are things that he has learned through experience. The changes are; those people who extend onto the end of the line are not required to pay reimbursement to the agreement holder. If there is a T-off the line and it extends one way or another there isn't any reimbursement owed. Only connections required to pay full reimbursement are the ones who front the water line running from point A (Where the existing water line was located) to point B (Mr. Black's Home) on one side or the other. If the water line fronts the property on both sides, then they are required to pay full



reimbursement. If the line is only on one side then they only pay 50% of the lineal feet. There were a few other changes to grammar, that didn't impact the agreement. It has been made very clear that we will not be policing this line, if Mr. Black doesn't police it, and connections are made, it is his responsibility to pursue it, but the District will not take part in it. Board Member Jones moved to approve with the requirement that the last page is removed from the agreement, and that the title heading "Exhibit C" is removed. Second by Board Member Watson; vote was unanimous at 8:07 PM (1:27:26)

CONSIDER APPROVAL OF AN AGREEMENT BETWEEN LINFORD NELSON AND CICWCD FOR SPRINGS AND WELLS AT CEDAR HIGHLANDS:

▪Wayment-asked for this item to be tabled, because he has been out of the office for health reasons and asked to meet with Jones and Monroe. ▪Monroe-I've talked with Linford he has requested to review the agreement before it was passed by the board. I've have made all the changes. ▪Monroe - I'll get it to Linford and have the agreement ready to approve next month. Board Member Watson moved to table; Seconded by Board Member Bonzo; vote was unanimous at 8:08 (1:29:23)

CONSIDER BILLING ADJUSTMENT REQUEST FROM ROBERT SHEETS: ▪Monroe-If

you recall last month we discussed this and were address from Jennifer Salas who is a daughter and niece of the owners for this property. The board asked for some of our policies and some clarification on the situation. All of those documents have been given to you to view, and the information will be included in the minutes of this meeting. Up to this point, with the district being very young, we haven't dealt with this kind of situation before. The district didn't collect on outstanding accounts prior to Mandi and myself being hired. ▪M. Williams-Mrs. Barbra Jean Sheets-Hunter did make a payment of \$156.33 towards the lien on property taxes. ▪Monroe-yes a payment for this lien was included from the county with this last tax revenue check we received. Mandi is bringing this up because she believes it shows good faith. ▪Watson-My feeling is, we just dissolve it as it. If she made a payment we keep it thank you, but this is prior to any of us really being involved with it. I personally think we just need to clear the books clear the records and in January we come up with a policy. ▪Monroe-I need to be clear on what you mean by a setting a policy. I feel like our policy is in place. ▪Wayment-As far as placing a property lien? The lien policy is in place because it is set forth in State statute. ▪ Watson-Well then even more reason to forgive the lien on this property. If we as a district don't understand the process. We need to write out the steps we are going to take. ▪Monroe-Here are the steps I don't want to take. I don't want it to be a policy that we place a lien, they come to the board, and the debt is forgiven. (1:35:55) I am okay with forgiving this amount, if you look at my recommendations under recommendation "C". It states that we will forgive the outstanding debt, but they have to agree to pay the base rate of \$30.00 a month. ▪Watson-I thought you said ▪Jones-You are saying that once the meter is placed on a given property the base rate is applied from then on. This pays



the debt service. ▪Monroe-Take Cedar Highlands there is a base rate charged on every lot up there. Even the lots that don't have meters, or service dug in. This charge was agreed to in order to pay the debt for the water line. ▪Watson-I don't have any problem with continuing with the base rate charge, but we need to forgive the amount owed and release the lien. This situation took place before most of us had anything to do with the district. Board Member Watson moved to approve recommendation "C" which states that we forgive the debt left owing on the certified lien for the Sheets property with the understanding that the \$30.00 base rate be required paid on a timely. Board Member Cozzens Seconded; motion passed with 5 ayes and 1 nay at 8:19 PM (1:41:00).

Watson-Aye
Cozzens-Aye
Jones-Aye
Black-Nay
Bonzo-Aye

CONSIDER APPROVAL OF THE CICWCD 2014 MASTER PLAN: ▪Hunter-Do we need any other discussion on the Master Plan? You've all read it. ▪Monroe-If you recall, we have a pending grant of \$40,000.00 that only lacks the approval of this Master Plan. ▪Hunter-We've talked about this several times. It is a really good report. We've just not taken the time to approve it. ▪Crane-Keep in mind, this is a living document. It will continue to change as the needs of the district change. It will be updated and adjusted as we go. We need to get it submitted to the state. The report still needs state approval. Board Member Black moved to approve the Master Plan, (1:44:23) seconded by Board Member Jones, after brief discussion Jones withdrew his second. (1:45:50)After several minutes of discussion, Second was made by Board Member Bonzo; motion passed four in favor; two opposed; one abstention; motion carries. Vote as follows:

Rick-Aye
John-Aye
Spencer-Abstained
Paul-No for lack of review
Tim-No for lack of review
Brent -Aye

WATER CONSERVATION: UPDATE – CANDACE SCHAIBLE:
Candace was unable to attend the meeting Item #12 was not discussed

REGIONAL AQUIFER BALANCE PROJECT & WECCO: ▪Crane-just really quickly as we mentioned to you a few months ago, Paul and I have been meeting regularly with the Enoch City representatives and Cedar City and trying to bring everything together on this. In January we would like to take our information to these two entities and see what their thoughts are on what the best process would be and where they think the best area to take that



water from would be. Hopefully this insight will aid in us not impacting Enoch or other wells in the area. We would like to spend more time working with the entities and be able to bring back to the board a better consensus between everyone. ■Black-who are you talking to from Cedar City? ■Monroe-Kit W. ■Black-It wouldn't hurt to have Robby attend as well. ■Crane-We have been working with Rob Dotson in Enoch. (1:49:37)

WAH WAH AND PINE VALLEY: CLOSED SESSION FOR LITIGATION:

AQUIFER RECHARGE: ■Hunter-The first thing we need to do is get busy and get our leasing firmed up. ■Monroe-You are right, and other then that there has not been a lot of movement.

SUBSIDENCE MONITORING: ■Monroe-I've talked with Steve Platt and I have been hopeful that they would be able to help us out. They apparently only do monuments for Horizontal Monitoring nothing Vertical. Kelly and I were hoping that we would be able to offer the funding but have their team at the county do it, however it doesn't sound like they are equipped to do that. Steve recommended that we stick with Doug Grimshaw. and continue the way we are going. ■Watson-do we have money in the budget to procure the actual monuments. ■Monroe-We've set aside \$5,000.00 for total to do everything. ■Watson-so do we need to put some more money there? Really even with \$1,000.00 you'll get quite a few monuments, it would be worth it to buy a lot of monuments in advance and have them on hand over the years. It really doesn't cost a lot more to have them stamped to the reflect the district's name. You can get brass ones that last a lot longer than aluminum. Aluminum is good because they don't deteriorate, but they scratch and dent very easily. Brass is probably going to be your best option. Maybe check with Doug and see if he has another recommendation for you because I know he did do a lot of the horizontal stuff for the county, (1:51:59) as well as for Beaver County. ■Bonzo-I thought that Steve Platt was in here he said that the county had a bunch of those monuments? ■ Monroe-I do believe they have some. ■Watson-I think they call them Iron County Survey Monuments. I don't see any difference other then what they put on the face of the monument. ■Monroe-There is a difference and Steve has said it is what you will be doing with the monument. We will be going deeper with a bell shaped concrete platform because we are monitoring subsidence more than just horizontal movement. Our major areas of focus are going to be in the Enoch Graben area and once we get several monuments in out there we will probably move out to the Quichipa area where there is other subsidence.(1:52:55) Initially we've discussed doing half a dozen to a dozen each year. Doug charges around \$800-\$1,000 apiece. (1:55:00)

GENERAL MANAGERS REPORT: ■Monroe- we are going to and will focus more on our public involvement. We have a huge project coming up in the West Desert and a population that isn't aware of our aquifer situation. We will be working with SUU on some presentations for the public. Our next meeting date is January 15, 2015



BOARD MEMBERS REPORT: No reports

CLOSED SESSION FOR IMMINENT LITIGATION:

Board Member Black moved to adjourn from regular session and go into executive session. Second by Board Member Bonzo; vote was unanimous at 8:36 PM

ROLL CALL FOR CLOSED SESSION:

Tim-Aye
Paul C.-Aye
Spencer-Aye
John-Aye
Rick-Aye
Brent-Aye

ADJOURN:

Regular meeting called back to order at 9:58 PM

Board Member Jones moved to adjourn. Second Board Member Cozzens; vote was unanimous at 9:59 PM.

DRAFT