BOARD MEETING MINUTES
May 21, 2015

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

STAFF PRESENT: District Manager Paul Monroe; Office Manager Mandi Williams; Water Operator-Tracy Feltner

OTHERS PRESENT: Kelly Crane, Curtis Nielson (Ensign Engineering); Doug Hall (CICWCD Water Conservation Advisory Board), Gary Player; Roice Nielson (Citizen).

CALL TO ORDER: Board Chair Hunter called the meeting to order at 6:33 PM

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

CONSIDER APPROVAL OF MINUTES FROM THE BOARD MEETING HELD April 16, 2015: ▪Board Member Bonzo moved to approve the minutes of the meeting held April 16, 2015; Second by Board Member Cozzens; vote unanimous at 6:38 PM (3:47)

FINANCIAL REPORT: CONSIDER APPROVAL OF ADJUSTMENTS AND PAYMENT OF BILLS FROM APRIL 11, 2015 THROUGH MAY 15, 2015. ▪Monroe- Water Festival these items will be out of the ordinary for the next few weeks. ▪Watson-What our some of the upcoming items that will need our consideration for the upcoming Water Festival? ▪Monroe-We will be offering free lunch hamburgers and hotdogs. This will be a huge cost but we have secured a premium sponsorship from Southwest Plumbing. Our advertisements with the radio will be $1500.00. This will cover radio ads prior to the event and on site advertising the day of the Festival. There will also be costs associated with the Fun time Inflatables. Lunch will be one of the larger expenses. John Black has been helping us by coordinating with Cedar City to add our event to their community calendar. There will be different booths and activities, we would love to have some Board Members come out and help.
▪Board Member Watson motioned to approve the adjustments and payment of bills from April 11 through May 15, 2015; Board member Bonzo Seconded; vote unanimous at 6:42 PM (9:34) *(Spencer Jones arrived at 6:42)*

REVIEW 2015 FINANCIAL REPORT: ▪Monroe-Water Revenue is down about 12% at this point of the year which is 44% of the year. This isn't really a concern because revenues for water do increase during the summer months. We are at 44% in the Traveling conferences and training line. This included the CAP trip and most of the yearly training meetings. I don't anticipate any substantial costs to go through this line throughout the remainder of the year. Moving along, our utility costs are highlighted to note that we are doing very well, we will see more of a peak in power costs during the summer. Our legal fees are down right now mostly because things have been quiet with our West Desert Valleys. Water Repair Contingency,

we've budgeted $110,000.00 for when or if repairs are needed. As we've started up our wells and pumps for the summer we have discovered an issue at Derby #1. ▪Feltner-When we started dealing with this well earlier this week we have been having electrical problems. We had Bert come in to check on it and the well is starting to caveat because of the check valve on the back of the pump. We are anticipating this pump to go down. This is the major well that supplies Three Peaks Tank. We have a couple of options to take care of our Three Peaks Tank while we have this repaired. We would just like to be prepared. ▪Monroe-We replaced the Northridge pump last year and I believe that was between $12K to $15 thousand. I think it would be wise to go ahead with ordering this well, the operators are fairly sure that this is going to be a problem in the near future. ▪Feltner- We also need to redo the electrical infrastructure. We need to put a new panel in and would like to install a VFD. We'd like to do it right and have something in place for the long term versus just a quick fix. I feel like the VFD will help with efficiency. Right now the pump has a small motor in it, and it is really costing us more money than we need to be spending. (16:18) for the most part we just need to get the electrical fixed. We've melted some stuff, it's pretty bad. ▪Crane-I believe all of this electrical is original to the well. I also know of twice that the panel was completely soaked with water. ▪Monroe-We can expect between twenty and thirty thousand dollars to come out of the Contingency line. We haven't received any estimates back at this point, so when I have that information I will inform the board. ▪Feltner- Booster station #3 has had a few issues, John brought in a specialist from up North. After working with him, John is confident that we can have someone local take care of these types of issues. ▪Monroe-Under Well and Pump maintenance, the Cedar Highlands booster pump will be going in next Wednesday. There will also be two pumps going in out in Eagle Valley, these pumps are in place, they are just worn out. Our goal is to see if the well and pumps in Eagle Valley can sustain the demands there. ▪Feltner- It is just going to be a matter of turning them on and letting it go to see what it does. We are hoping this will help alleviate the pressure on Derby #1 and #2. ▪Crane-It is really just a balancing act between the well and the booster pumps, we have just a small tank that mitigates that. ▪Feltner-That is right and the well is pumping at about 170 gpm and the boosters are pumping at 100 gpm and they're wearing out. This is why we need bigger booster pumps in there to actually make it work. They are still such small boosters that they won't require much of anything, they will hardly pull a demand charge.

▪Monroe-The last line in the Operational budget, the Water System Supplies line. This line includes the fencing that we had installed, and new signage for our sanitary survey. New truck decals, and also ordered road base that we put around the well houses. I just want to commend John and Tracy for the hard work they do and for how well they maintain our system at all our locations. Everything looks so great, we actually had the State, after seeing our system and well houses, come down and do a training for the Health Department and others in the Southern Region on what to look for while doing Sanitary Surveys. They go above and beyond when it comes to preventative maintenance. A lot more then I was ever trained on in Kane County and obviously a lot more than was ever done here before. Again, I just really appreciate all that they do. (21:16)

AQUIFER BALANCE PROJECT & WECCO: ▪Carvel Allen & Joey Stacy presented the information they gathered on the Geochemistry of Groundwater in the Enoch area. ▪Jerry Stacy-The objective of our project was to determine the origin of sources of groundwater in the Enoch area. Our investigation was based off the question: Could groundwater on either side of a projected hydrologic boundary have different sources? We collected water samples from different wells in the area. We sent the samples off to a water lab in Illinois for analysis. Once we got our results back we compared them to a non-standard. In order to complete this project we put together a team that consisted of: Project Managers included Carvel & myself, we are sophomores in High School from SUU Success Academy; also the City of Enoch, who we'd like to thank for the opportunity; and the CICWCD for funding this project. We'd also like to thank Will Neal our Geochemist from California; as well as the Iron Springs Corp., our local Engineering Company; and Isotech Laboratories for analyzing our water samples for us. Comparisons and findings are included in the Power Point presentation.
In conclusion the location "ST" is likely to be a different source due to different levels of Deuterium, Oxygen, and Tritium. "ST" was the only sample location west of the boundary line, as far as now, it appears that location "ST" is younger water. (27:48) 7PM
(Power Point presentation is included in the archived minutes of this meeting.)
Further investigations with this study could include: Additional sampling at different locations in the Cedar Valley and Enoch area; We could develop a GIS database that could be populated by City Staff during routine sampling for these boundaries in the future. These investigations would help us to identify water being used by stake holders is different from other sources. Water Managers could then develop other strategies based upon analysis to best allocate the water, and the results of the analysis could be used with other tools to better understand the hydrogeology of Cedar Valley. (28:23)
Board members asked that these young men set up a meeting with Paul to try to get some costs estimates together for further testing.
Questions from the board members and discussion continue until 7:17 PM ▪Crane-so your only sample that was post 40's, or that showed any tritium was from the ST location? ▪Carvel Allen-Yes. ▪Crane-that is very interesting, that location is the one furthest into the Valley is the youngest water. ▪Hunter-so the water is 65 years old? ▪Joey Stacy-Yes, the location that had detectable tritium is less than 65 years old. On the other locations we don't have exact dates but we know the relative age of the water in ST is younger than the other water sampled from different locations. ▪Monroe-How long was ST pumped before it was sampled? ▪Joey Stacy-I believe all of the wells were running off and on at least before we took our samples. ▪Crane-this study gives information that is very interesting to me, a lot more than other information that we've seen. ▪Watson-Do we as a District want to take this and see if we could expand it up into the Summit area, North and West of your current "SC" location, even further West over by the mine. If we do I would like for them to note the depths at which they are sampling the water to give us an idea on that, and also a more accurate idea of where the fissure is and how far south it comes. ▪Monroe-Basically if they want to do 25 to 50 wells, at $500.00 a piece for the sampling we would be looking at around $13,000.00 for 25 and up to $25,000.00 for 50. We put $5000.00 towards this in 2014. For the 2015 year we haven't paid out anything for this study. What would the board think about possibly partnering with Cedar

and Enoch? Each of us could put up $5000.00? ▪Watson-You mentioned that you would like to continue with this project during the summer. Paul how long would it take you to put together the information needed to give them so they could get started. ▪Monroe-I think we could be able to gather that information in a day or two. ▪Hunter-Paul and Kelly it is the recommendation from the board that you move forward with some ideas on funding the expansion of this project. We should have a determination by our next meeting. (44:13)The board took a moment to express how impressive it is that two High School Sophomores would take interest and the initiative in a project like this, and expressed their consideration for the work that has been done thus far.

WATER CONSERVATION: ▪ Doug Hall-Last week the members of the Conservation advisory board got together to kick around ideas on how to get area businesses on board with conservation. We discussed some possible programs we could use. (46:18)We would like to reinforce their perception of water usage and application. We'd like to help them understand that even though they as a business might not have any control over watering, they still are the ones that the public ultimately perceives as being responsible for it. We have come up with a number of ways to approach the businesses with a small incentive. Maybe some sort of window decal or something stating that they are a water-wise business that would be good for two years. I am also looking to get on the agenda for the local Chamber of Commerce. I've been in touch with Hunter Schaheen with the ICSD about the possibility of installing additional water weather stations and smart meters. We are moving ahead with the schools and the city. We are starting our focus on businesses this year and hopefully within another year or so we will be able to start focusing on individual homes. ▪Bonzo-Water conservation is a big story on the news. There is always another story about towns enforcing water restrictions. 7:23PM (50:46) This is the time to be talking about conservation.

CROSS HOLLOWS HILLS SUBDIVISION: PAUL MONROE: ▪Monroe-There is an agreement that was included in your binder we won't be approving anything this month I would just like for it to be reviewed. Cross Hollows will have a chance to look this over at their meeting on June 1st, 2015. If they approve it, I will then bring it back to the board at our next meeting for our approval. We've set this up just as we discussed at last month's meeting. This will be a bulk connection, they will only pay for the water they use, which will help promote conservation. The clause is in the agreement that in any time of need the District always has first call on the water, and that their subdivision can be cut off at any time. They were okay with that clause as well. The way we set it up for rates and fees, under #5 in the agreement is calculated by a figuring the actual cost of pumping to our tank at North Ridge. It costs us $.68 per 1,000 gallons to pump that water. Our bulk rate right now is $.65. So we would do is figure in a $.05 delivery fee and also a $.05 repair and replacement charge. So total cost to Cross Hollows will be $.75 per 1000 gallons. Plus the $65.00 monthly base rate. ▪Jones-If I'm reading this agreement correctly, as it's written, we are not obligated to provide water to this subdivision unless we have water available. So we would not be on the hook for drilling a new well if needed for this subdivision. Right? It is just the water they use will be billed at that rate, if it is available. ▪Monroe-Yes, we are not supplying source, storage or

anything like that. Again, we are going to make sure that the districts costs are covered. We have stated in this agreement that the District has first right to the water, if there is any shortage in water supply they will not be able to draw on our water. With that in mind the one concern I have if you look at #5 it reads, the district agrees not charge the association with any connection costs, impact fees, or any other type of installation fees. That is because they will be installing an estimated cost of $59,000.00 worth of infrastructure, which would include the valves, the vaults, and anything else necessary for this connection. We will inspect all of this infrastructure that is required to be installed to meet our standards. All of the infrastructure will be transferred to the District. There is a warranty on the infrastructure as well. Say that lighting strikes a RTU panel then the association will replace it up to 10 years. After that the responsibility falls on the District. My question is are we okay with not charging an impact fee? Basically we charge everyone else an impact fee when they connect to the system. This would be equivalent to an additional 160 lots. Granted you can take in lieu the infrastructure they put in. So they are putting in close to $60,000.00 worth of infrastructure and a 6' connection based on the flow we have is close to $70,000.00. ▪Jones-I'm okay with not charging an impact fee as long as the rate per 1000 gallons is such that we will be covered. I would rather see it charged in the rate. ▪Crane-That is why we have the fees figured like they are written in this agreement. If the rates for the district increase, they will go up as well. ▪Jones-we do have a provision that states that their rates will be tied with our rates. Any increase in our standard rates will also affect their rate. ▪Monroe-Yes, that has been covered. (56:33) 7:29 PM ▪Jones-I would also like to make sure that there is a provision in the agreement that releases us from any adverse liability if anything is damaged on their line. ▪Crane-Section #3 takes care of that provision Spencer. ▪Hunter-I would like you to all review this so that we can make a decision on this next month.7:32 PM (59:43)

WAH WAH AND PINE VALLEY: ▪Monroe-I would like the public to know that we have enjoyed working with the BLM on the processes thus far. We have taken a few trips out to the West Desert. As far as the first step of the Environmental Process, the BLM is very supportive, they think the project is very doable. This process is similar to the process we went through when we did the test wells. ▪Crane-We would like to start off with a 6" well at 1000 feet. If we find some good water we would use different calculations to figure out if we can pump out of a 24" well etc., obviously we'd like to expand to something larger. We would like to start a little bit further south and work our way north, to save pipeline costs if possible. ▪Monroe-litigation with Beaver County has been pretty quiet, there hasn't been a lot of movement in the last two months. 7:37 PM (1:04:26)

AQUIFER RECHARGE: ▪Monroe-I've been working to gather and analyze all of the water rights in the Coal Creek area. Kelly and I met with Kurt today and he was able to give us some ideas on ways to better utilize the water. Kurt recommended as we move forward to just visit with the people on this list and talk with them about using the water. We should try to make the public a big part of this project. 7:40 PM (1:08:02) Some of the ideas that we have been discussing as we move forward have been; ways to utilize the wastewater treatment plant water; possible reservoir. ▪Crane-There has been about ten things that have come out of previous meetings as we've talked about the aquifer balance project with Cedar City & Enoch

City. It is really cemented in our minds the need for a comprehensive look at waters within the valley, outside the valley, and being able to put a dollar sign to how much per acre foot we are looking at all around the valley. We have a good handle We have a good handle on what we are looking at in the Pine Valley, although there are a lot of if's, and's, or but's. However we know we've got 15,000 AF and how much of a general cost we are looking at. Then as we start going down the list we've got a fairly large quantity of water that comes out of the City's wastewater treatment plant. This water is going to be a lot cleaner now that the city has spent the money to upgrade the system and the water is coming out at a pretty high quality. Looking at that wastewater we've looked at putting it into use, but the concern is what we will do with the water during the winter. We've looked at two different locations for a reservoir for storing this water during those winter months. Site One is just straight east of the wastewater treatment plant 6600 acre feet of water storage. In this location the dam is quite large. The length is 2000 feet and it is 100 feet at the middle point. Obviously we would need to look into the geotechnical characteristics and how we'd tie things in. This water could be pumped straight out of the wastewater treatment plant. The Second option is bringing the water all the way from the wastewater treatment plant out to Coal Creek. If we tied this in we could have this as storage and this line could potentially be a supply line for the area north of there, along the bench and down into the valley. We could essentially replace some wells with a pressurized irrigation line that comes out and both feeds and fills the reservoir. ▪Monroe- A couple of things I personally like about the area, is the location of the Enoch Graben. Where potentially you could pump the water to the farmers who pump from that Graben area. If you were able to pipe the Northfield irrigation water to there, you could potentially serve a large Ag area and secondary water use area. It is four and a half miles from the wastewater treatment plant to that site. I think it is worth evaluating. ▪Cozzens-What is the risk or liability we would have if the dam were to break? ▪Jones-there is already a diversion structure or dam there, on a smaller scale. ▪Crane-all of that would need to be evaluated, there isn't anything really big below it. It would basically run to Rush Lake. ▪Hunter-Another idea for talking about aquifer recharge we've talked about going out into the Rush Lake (1:15:34) area and developing a well field to draw down the high water table out there and stop pumping up higher, why don't we pump this water back out? Then shut down wells further south. If we could find good wells out in that area. ▪Monroe-There is money available to Ag. users to put their water into pipes. ▪Crane-One other smaller storage area would be Eiliker Basin just above Enoch it's another possibility, like I said it is a little smaller only 5000 acre feet of storage, but you've got a 750 foot dam 60' high, and a 900 foot dam 35' high at the top. Enoch City is right below this area so there would be a little more liability there. (Handouts will be included in meeting minutes.) *Crane quickly moves thru possible areas of recharge.* His list for the Aquifer Recharge Project includes: De-sedimentation of Coal Creek; the recharge down by the Woodbury Split; out by Quichipa Lake; (a portion of the listed projects is muffled out in the recording from 01:19:13 until 01:19:37) all of these things we think need to be evaluated a little bit more. We know a lot about the areas but associating a cost break and maintenance cost long term so that we understand what's associated economically with each project. How it looks out in the future versus now and what the long term cost are. Some other ideas that have come out of meetings with Cedar City are: a secondary water system that utilizes the high TDS water that is directly under Cedar City right now to incorporate into

their existing secondary system that serves the cemetery, of the parks, and golf course. We would like to expand that system to include schools. This is water that can't be used for drinking water. We would look also at near Enoch where that higher nitrate flume exists, up near Fiddlers Canyon. We would like to look at containing and utilizing that water for secondary uses, which can help crop growth. We have also talked about Woods Ranch, we would like to find out exactly what the water right issues would be and how the project would look economically. Then, last would be the well out in area 71 and the pros/cons to that. We have a lot of reference information available to us, we believe a lot of this information already exists. This is really the scope of work that we would like to somewhat re-task the money that we are receiving from the drinking water board, towards a comprehensive study that looks at all of these and puts together the details on what the real cost of water becomes. The questions hoped to be answered are: is reusing the sewer water effluent really less expensive than an aquifer balance project or bringing in the Pine Valley water. Does the volume of water offset the cost? (1:22:58) *Conclusion at 7:56 PM* ▪Monroe-I would like to do a 2015 update to the report that was done in 1993. They basically were looking at the same things we are now, reservoirs up Coal Creek and other waters around the basin. I think this is pertinent for us now. I would really like to have a good economic analysis on each one of these. One that gives us the cost of doing it, but also the cost of not doing it. 7:57 PM (1:24:51) ▪Doug Hall-Is there any possible way to use the output of the wastewater treatment plant for aquifer recharge. ▪Monroe-if we were to pump that to a location where it could be utilized, we would be pumping the water uphill, and the District would be consuming all of the cost associated with that. ▪Doug Hall-I think if you are looking at the whole picture and the costs associated with dams and pipes. You should evaluate the difference in costs to pump uphill or install those reservoirs. ▪Monroe- I agree we should add in recharging the aquifer with the wastewater. 8:00 PM (1:28:00). ▪Hunter-I think you guys are on the right track. We throw around all of these ideas but I'm happy that we are going to move forward on them. Are you recommending that we hire someone to analyze these things? ▪Monroe-Yes, Kelly and I would put together a lot of this information, but I would like to hire an economist. Discussion/brainstorming between board members continues until 8:06 PM ▪Jones-I think that we've got the West Desert over here, is it the priority? Or are these things the priority? I think we have to make this somewhat of a preliminary decision (1:30:39). ▪Monroe-I was going to talk about this during our West Desert Discussion, but we have been meeting with the BLM and they would like to get together for a work meeting. The dates they have available are the 4th or 5th of June. If you would all look at your calendars and see what works best for you, I know you are all busy with your everyday work, so my hope is we can meet early enough in the morning that you can all make it back to your jobs at a good time. ▪Hunter-Paul you and Kelly get some ideas (1:34:22) together so we could discuss it in greater detail during our work meeting on June 4th. I would like to have an early meeting, around 7:30 or 8 AM.

SUBSIDENCE MONITORING: (1:37:37) ▪Monroe-Nothing to report

GENERAL MANAGERS REPORT: ▪Monroe- updated the board on the waters of US bill that is trying to be pushed through by the EPA. I have briefly watched the action on that, I will try to keep you updated. We have covered the Water Festival, and the District system. We will have a

work meeting on June 4th and our next regular board meeting will be held June 18, 2015. (1:39:30)

BOARD MEMBERS REPORT: None

CLOSED SESSION: For Imminent Litigation Motion by Board Member Jones Second by Board Member Cozzens. 8:12PM (1:40:26)

ADJOURN TO CLOSED SESSION: Board-chairman Brent Hunter entertained a motion to adjourn to closed session to deal with some litigation issues.
Board Member Cozzens motioned to adjourn to closed session; Board Member Bonzo seconded motion passed unanimously

ROLL CALL FOR CLOSED SESSION:
Paul C.-Aye
Spencer-Aye
Rick-Aye
Tim-Aye
Brent-Aye

Board Member Bonzo moved to adjourn closed session and rejoin regular session. Second by Board Member Cozzens; vote unanimous at 8:41 PM (1:40:10)

ADJOURN:
Regular meeting called back to order at 8:41 PM
Board Member Bonzo moved to adjourn. Second Board Member Cozzens; vote was unanimous at 8:41 PM.