

**WASHINGTON COUNTY WATER CONSERVANCY  
DISTRICT**

Minutes of Meeting of Board of Trustees

February 3, 2016

Minutes of a public meeting of the board of trustees of the Washington County Water Conservancy District, held on Wednesday, February 3, 2016, at 533 East Waterworks Drive, St. George, Utah. Those board members present for the meeting were: Chair Ed Bowler, Jim Ence, Howard Bracken, Zachary Renstrom, Tom Hirschi, Ken Neilson and Jon Pike. Also present were General Manager Ron Thompson, Associate General Manager Barbara Hjelle and Secretary Roberta McMullin. Ed Bowler conducted the meeting and welcomed those present.

**The first item on the agenda was consideration of resolutions in support of Water SMART grants for Toquerville Secondary Water System (TSWS) and Retail AMR Metering-** Ron said the district is trying to get two WaterSMART grants for two projects: metering for TSWS and metering for Hurricane Valley and Casa de Oro water systems. These resolutions are required to move forward with the grant process.

***Tom Hirschi moved to approve both resolutions for the grants. Ken Neilson seconded the motion. All voted aye.***

**Status reports:**

**Lake Powell Pipeline** – Ron told the board the preliminary license is into FERC and they have 60 days to address the comments. Ron said they hope to have everything in to FERC by spring and then they can do the final analysis.

**Legislation** – Ron told the board there is a legislative effort going on right now to move the PREP 60 effort forward. Last year the legislature created a statewide infrastructure fund. The 2<sup>nd</sup> phase is a bill that would take 1/16 of a cent back from transportation back to water –Copies of the “Prepare60’s Guide to Securing Utah’s Water Future brochure were passed out to board members. Presently, Ron said, 22% of the state’s general fund is going to transportation. He told the board he has met two times over the last couple of months with Senator Neiderhauser who is President of the Senate and has also met with Senator Adams and the state

treasurer. He said that funding for water is the number one priority of the legislative leadership.

**Sand Hollow Wells** – Ron said the district has finished drilling two new wells. They were drilled to approximately 600'. They have now ordered screens and hope to set those in the next month and then they will be tested. They hit a lot of water so hopefully these will be good wells.

**Water Treatment Plant (WTP)** – There are a couple of issues at the WTP which Ron said he would like to discuss with the board. There is a 5-million-gallon concrete tank that St. George put in before the District took over the plan. They had a gasket leak significant quantities of water and had to try and save the tank. They had developed some cracks across the floor. The bottom line is we now have a major structural failure with the tank going on. He said he has staff looking at it and feels at this point that we don't want to spend a few million more dollars trying to salvage it. At this point they have drained it and have people looking at it and will come up with a solution. Ron said he can't see putting a lot of money into a tank with structural problems. There is a crack which goes along whole foundation of the tank. He told the board he will come back with a proposal with what to do with it but it has basically had problems since it was built.

**Media Report** - Karry Rathje gave a report to the board on public information and media. She had a short PowerPoint presentation which listed some of the PR & Government Affairs: media outreach, legislative coordination, distribution of press and media advisories, creative materials – website, brochures, ads, event coordination, letters to the editor, monthly radio interviews, speakers' bureau and municipal promotional opportunities – newsletters and social media. Planned ad placements are taking place in the Spectrum, The St. George News (online) and The Independent (online); and on Cherry Creek radio, Canyon Media radio, KCSG (local broadcast) and Facebook. She showed a sample of a sticky note that is on the front page of The Spectrum. She is considering putting a watering schedule that people can peel off the newspaper and put on their timers. She also showed some sample Facebook ads showing seasonal watering reminders and ads that could be used at various holiday times. She also mentioned the Water Line, print ads and event promotion. She showed a sample infographic recently produced to highlight some of the things the district has done in 2015. She said she hopes to start using more of these for key messages since they are very visual. Karry encouraged board members to visit the district's new website, [wcwcd.org](http://wcwcd.org).

**Financial report** - Ron told board members that we have finished the last year-end entries and the auditors are starting on the audit for 2015. He said he will start giving financial data for 2016 at the next board meeting.

**Water Year** - Across the basin there is considerably over 100% of normal in snow pack. The snow water equivalent and snow pack is better than any time in the last four years. He said the storm the first of last week was state wide and a very good storm. Ron said some sites are over 200% of normal, like Little Grassy. He said they are still doing cloud seeding but if we stay at these levels they probably won't continue to do it.

**Kolob Reservoir** - Ron told the board they are continuing to draw down Kolob for another 30 days and then they'll shut it down. Most of that water is going into Sand Hollow and a small amount into Quail Creek.

**Financing of projects** - Ron said they continually get asked about how the district is going to pay for the Lake Powell Pipeline and other projects. He said the district has had economist Jerry Aguero, Applied Analysis, working on this. He said he would like to talk to the board conceptually about this and where he thinks we need to go. He said they have meetings set next week with mayors, city managers and county commissioners to talk about this. Ron told the Board that in talking to the mayors in the past it is pretty clear that they would like to see a 75 – 25% split with new growth (impact fees) paying 75% and property taxes and rates paying the other 25%. Ron said they would suggest we don't change impact fees all at once. We have been raising them 5% a year but by 2025 we need it to meet the needs for funding all our projects. Ron said they have looked at escalating impact fees at 7% annually instead of leaving it at 5%. If we leave it at 5% it will take another five years or so to get it where we need it. When we finally get it to the level we need it in the early 2030's then it would just be adjusted to inflation. So the question that Ron would like the board's input on is do we escalate the impact fees faster than the 5% annually to 7%? Ed Bowler suggested that we have already gone over the hurdle with the 5% with the developers so he thinks we ought to run it out at 5% and not go up to the 7%. If we get the impact fees too high it will pause the market and that creates other problems.

Ron said legislators say they aren't opposed to helping us but they have to know we can pay it back and that we have skin in the game. Ron said he thinks leaving it at 5% might be best since the building community is already acclimated to the 5% annual increase.

The second thing Ron told the board is we need to go on a plan to put some money away from our rate structure and start moving it at 10 cents per year per 1,000 gallons to develop a capital fee in our wholesale structure.

Also, Ron said over the next decade we need to move the property tax rate up to the point of .0001. The adjustment would be .00027 per year over a ten-year period to move that back up. We would have to go through truth in taxation, but we need to be prepared to do this and the legislature will probably expect us to do this.

Ron said one thing that everyone needs to remember and be aware of is the LPP was the state's idea. They came to us first and suggested this and said we should look at it. They had engineers do a feasibility study. This is not just a Washington County project.

Ron said if any board members have any problem with any of these suggested financing ideas, please let him know so he won't put it out to the mayors, city managers, etc. next week. All the board members agreed with these ideas to move forward with the financing proposal. Ron told the board we still need to have this cash flow and planning even if LPP isn't built because we will have to do something else if LPP isn't built that could be even more expensive to have the water we will need or we will run out of water.

**Review of calendaring items:**

The next board meeting is March 2 at 6 p.m.

Utah Water Users dinner hosted by WCWCD is Monday, March 14 at 6 pm

Utah Water Users Workshops are March 15 and 16.

Southern Delivery System field trip scheduled for March 31 and April 1

**Approval of Minutes of December 2015 board meeting** – The board reviewed the minutes of the December 2015 Board of Trustees meeting after which the following motion was offered:

***Tom Hirschi moved to approve the minutes of the December 2015 Board of Trustees Meeting as presented. Jim Ence seconded the motion and all voted aye.***

Ed Bowler expressed thanks to those in the audience for attending and asked for any comments, questions or concerns from the audience.

There were no comments from the audience and no further business to come before the board and the meeting was adjourned.

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Secretary