

**WASHINGTON COUNTY WATER CONSERVANCY
DISTRICT**

Minutes of Meeting of Board of Trustees

June 6, 2018

Minutes of a public meeting of the board of trustees of the Washington County Water Conservancy District, held on Wednesday, June 6, 2018, at 533 East Waterworks Drive, St. George, Utah beginning at 6 pm. Those board members present for the meeting were: Chair Ed Bowler, Zachary Renstrom, Kevin Tervort, Ken Neilson, Howard Bracken, Chris Hart and Jon Pike. Also present were General Manager Ron Thompson, Associate General Managers, Barbara Hjelle and Brie Thompson. Other staff included Carly Merrill and Secretary Roberta McMullin. Other guests at the meeting are set forth on the attached sign-in sheet. Ed Bowler conducted the meeting and welcomed those present.

The first item on the agenda was a **public hearing to levy the annual contract assessment with the Kolob Water Service Area**. Chair Ed Bowler opened the public hearing. Ron Thompson explained that a resolution of the board is needed to levy the annual contract assessment with the Kolob Water Service Area. The water assessment is collected on the property tax roles in fall. He said they are not proposing any change of the fees but are required by law to have a public hearing and certify the rates to the county assessor. There are two fees for those with water service it is \$350 a year and \$250 a year for those who are not hooked up yet.

There was no comments or questions from those in attendance and so Chair Ed Bowler closed the public hearing and the following motion was made.

Jon Pike moved to pass a resolution to levy the annual contract assessment with the Kolob Water Service Area. Ken Neilson seconded the motion. A roll call vote was taken, and all seven board members voted aye.

The chair opened a second **public hearing to consider granting petitions to enter into water contracts on Parcel Nos. 1135-3-HV and 1157-D-HV and levy an annual contract assessment.**

Ron introduced this resolution. He reminded the board there are two contracts where the water district moves water from Kolob Reservoir to wells. One is for the Under the Canvas company and the other is for a helicopter service. They pay \$350 per quarter acre foot and this is also an annual assessment collected in property tax. There was no public comments and the public hearing was closed.

Chris Hart made a motion to approve the resolution to enter into water contracts on Parcels Nos. 1135-3-HV and 1175-D-HV and levy an annual contract assessment. Kevin Tervort seconded the motion. A roll call vote was taken, and all seven board members voted aye.

The next item on the agenda was a **public hearing regarding proposed municipal contract whole water rate increase.** The chair opened a public hearing on this matter. Ron Thompson explained that the new capital facilities plan anticipated assisting capital projects along with impact fees. This would be a \$0.10 increase per 1,000 gallons to \$1.14. Ron told the board this would generate \$736,000 of additional revenue to go in the capital projects fund. The chair called for questions or comments in the public hearing and, there being none, the public hearing was closed, and the following motion was made.

Ken Neilson moved to approve the resolution approving the municipal contract whole rate increase. Jon Pike seconded the motion and a roll call vote was taken. All voted aye.

Another public hearing was opened on a proposed secondary water rate increase. by Chair Ed Bowler. Ron explained that this is part of a long term plan and would raise the rate \$0.10 per 1000 gallons to \$0.60. The chair asked for comments from the public or the board. The public hearing was closed, and the following motion was made.

Kevin Tervort moved to approve the resolution approving the secondary water increase. Jon Pike seconded the motion. A roll call vote was taken, and all board members voted aye.

The next item on the agenda was a presentation by Jim Lincoln of Liberty Gold. Ron Thompson introduced Jim Lincoln to the board and explained that they had

acquired all the mining claims out in the Goldstrike area and been doing exploration out there trying to revive this mining project.

Jim Lincoln distributed a booklet of his presentation to each board member and staff and presented a PowerPoint presentation that included some of the following information:

- Acquired project in 2014 – had to get permits before drilling – started drilling 2015 through present
- Junior Canadian company – started 1999 - he joined them in 2004
- Group has been together 14 or 15 years working on projects
- Currently have brought 7 projects to development
- Liberty Gold is the Canadian name but here in Utah and Nevada they operate under the name Pilot Goldstrike around this project
- Liberty Gold assumed ownership of Goldstrike through acquisition of Cadillac Mining Corporation in August 2014
- They have been drilling here for about 3+ years and done about 100 miles of drill testing
- This site is about 45 miles from St. George (he showed the location on a map)
- Site tours to the project are part of their community outreach
- Water acquisition and development – acquired initial water from private owner
- Locating additional sources of water
- Acquire state approval with assistance from water district
- Will develop water wells and necessary infrastructure
- Backup plan – Gunlock Reservoir
- Water is the most serious issue they are working on besides continued drilling
- Still in early stages of development but want to be part of community and give back
- Want to get their story out to the community
- Happy to arrange tours for anyone interested

Jim answered various questions from the board. Ron said if we they could possibly bring in 100 jobs at approximately \$80,00 a year we should try and support this project and have committed to help them find the water resources necessary to make this happen.

Consideration of resolution authorizing at least two individuals form the water district to make changes to Public Treasurer Investment Fund (PTIF) accounts

This would authorize the general manager Ron Thompson and Roberta McMullin, Secretary/Treasurer performing the functions relating to these accounts.

Zach Renstrom moved to approve the resolution authorizing Ron Thompson and Roberta McMullin to make changes to Public Treasurer Investment Fund (PTIF) accounts. Ken Neilson seconded the motion, and all voted aye. There was a roll call vote and all board members voted aye.

Consideration of Resolution in support of WaterSMART Grants: Small-scale Water Efficiency Projects (Fiscal Year 2018). Federal funding amount of \$75,000 with matching funds for rebate programs in years of 2018 thru 2020.

Ron said this resolution is required to get federal funding in a WaterSMART grant which will be used for rebate programs.

Ken Neilson made a motion to approve a Resolution in support of WaterSMART Grants: Small-scale Water Efficiency Projects (Fiscal Year 2018). Federal funding amount of \$75,000 with matching funds for rebate programs in years of 2018 thru 2020. Jon Pike seconded the motion. A roll call vote was taken and all voted aye.

The next item of business was the **approval of bids on materials and installation for the Sand Hollow Well transmission line.**

Ron said there were three bidders on the material supply bid. Scholzens was the low bidder at \$399,410. Fergusons was next at \$418,349 and Mountain Supply at \$421,637 so they recommend awarding the bid for materials to Scholzen Products.

Chris Hart moved to award the contract for materials to Scholzen Products for \$399,410. The motion was seconded by Howard Bracken and all voted aye.

There were four bidders on installation. The low bidder was Interstate Rock Products for \$150,076.20. There was a wide spread on bids with the highest, being Sunrock at \$799,770.

Ron indicated the staff recommendation is to award the installation bid to Interstate Rock.

Kevin Tervort moved to award the bid to Interstate Rock for installation of the Sand Hollow well transmission line for \$150,076.20. Chris Hart seconded the motion. All voted aye.

Status reports were given on the following items:

Lake Powell Pipeline – Barbara Hjelle they are finally going to receive a notice of intent on the resource plan amendment on the Arizona Strip to allow for the pipeline conflict to be resolved with the area of critical environmental concern. They are also working with the BLM on a series of litigation or best practices. This is going to need a lot of work and John Fredell has instituted a very aggressive schedule and a good person at Stantec to help with that.

Barbara said they have been meeting with the Kaibab tribe to come to a common understanding on how this pipeline needs to go. They want us to go through the reservation but there are serious impediments with that, so Barbara said they are trying to see if they can stick with the proposed alignment and still work with them.

Barbara told the Board those are main things they are working on. She said getting the federal agencies to work together take a lot of ongoing communication and work.

Sand Hollow Well Drilling – Ron said they hope next week to do the final test pumping on Well # 10 and then move on to another well that has been approved (Intersection of Dixie Springs Drive and 4300 West) next.

Ron said they also met this past month with the state water engineer and talked about the groundwater recharge project. They had a good presentation from USGS where they laid out their studies that shows the potential to store over 300,000 a.f. of recharge water eventually. The travel time from where it is now to the river is about 300 years and there is presently about 150,000 a.f. stored. Ron said it is a challenge to manage it correctly and keep that water underground.

Ron Thompson gave a brief Manager's Report on the following items:

Ron told the board there was a lot of things going on.

Environmental issues – He said they had finished up redoing the fish barrier in the Virgin River gorge and they will be treating that section of the river next week. Ron said they will not be discharging water back to the river for about a seven-day period which will help to stabilize this area.

Water year – Ron said they are seeing historical low flows for this time of year. He said he thinks we will see significant curtailments on water rights very soon. There is normally at this time of year about 140 cfs running in the river and presently there is about 60 cfs.

Ron said he needs the board to set a special board meeting before the end of this month to approve the audit after it is completed, and so it can be filed before June 30. There was a discussion of dates and it was decided to meet on June 27 at noon.

Approval of minutes - The minutes of the board meeting of May 2, 2018 were reviewed by the board after which the following motion was made:

Ken Neilson made a motion to approve the board of trustees meeting minutes of May 2, 2018. The motion was seconded by Kevin Tervort and all voted aye.

Calendaring items –

June 27, 2018 – Special board meeting to approve audit at noon.

July 11, 2018 - Next regularly scheduled board meeting. It will be a work meeting beginning at 3 pm. NWRA Western Water Seminar – August 1-3 at Park City

Barbara Hjelle reminded the board that the Sand Hollow Regional Pipeline EA is now posted for public comment. She said they are expecting shortly after that to have a record decision and hope to start construction this fall.

There was no business and the meeting was adjourned.
