WASHINGTON COUNTY WATER CONSERVANCY DISTRICT

Minutes of Meeting of Board of Trustees

April 6, 2016

Minutes of a public meeting of the board of trustees of the Washington County Water Conservancy District, held on Wednesday, April 6, 2016, at 533 East Waterworks Drive, St. George, Utah. Those board members present for the meeting were: Chair Ed Bowler, Zachary Renstrom, Jon Pike, Tom Hirschi, Howard Bracken and Jim Ence. Board member Ken Neilson was not present. Also present were General Manager Ron Thompson, Associate General Managers Barbara Hjelle and Corey Cram, Secretary Roberta McMullin and Karry Rathje. Steve Meismer from the Virgin River Program was also present. Ed Bowler conducted the meeting and welcomed those present. Other guests at the meeting included Ken Spiers from Bowen Collins Engineering and Jeremy Williams from Carollo Engineering.

The first item on the agenda was a presentation by David Jessop regarding the Water Treatment Plant Tanks and the Equipment Building. Dave said the nine-million-gallon tank is a steel constructed tank. He showed a pictures of the tank and the steel coating inside. This tank was installed in 2005 and is about 25 feet tall at its peak. They discovered corrosion in the edges of the tank where the ceiling meets the walls all around the perimeter. He said they hired Stout Construction to start blasting and treating that and found out that it was a more significant problem than just the perimeter of the tank as the coating has been compromised. He passed out a sample piece of the interior that he saved to show the corrosion. They think it was caused by chlorine degradation from water and oxidation. He said they learned they need much more frequent inspection. He showed additional pictures including pictures of the sandblasting.

Next, David discussed the five-million-gallon tank and showed photos of that tank. Settling of a portion of the tank has taken place. Our engineer has designed a plan to drill through the floor of the tank and construct micro piles 25 deep below the tank. The piles will be connected structurally to the concrete columns within the tank. Following the structural work, a synthetic liner will be placed on the

floor of the tank to create a tight seal and prevent leakage and tank foundation problems in the future.

A tour of the Operations Room in the district office building was next on the agenda. Doug Wilson told the board that after the floods of 2005 and 2010 the district saw a need for an Emergency Operations Room. Doug showed the board the capabilities the room has to access all kinds of information and data for wells, hydroplants, SNOTEL sites, maps, meter readings, SCADA system data, reservoir storage readings, the diversion dam, cameras around the District building and gardens. Doug said they have the ability to go through the entire drainage and check things if there was an emergency situation. He told the board they have fiber that goes directly from here to the Water Treatment Plant. They also have battery backup for emergencies.

Austin Flint demonstrated the many uses for the electronic white board for diagraming, overlaying and drawing on maps, etc.

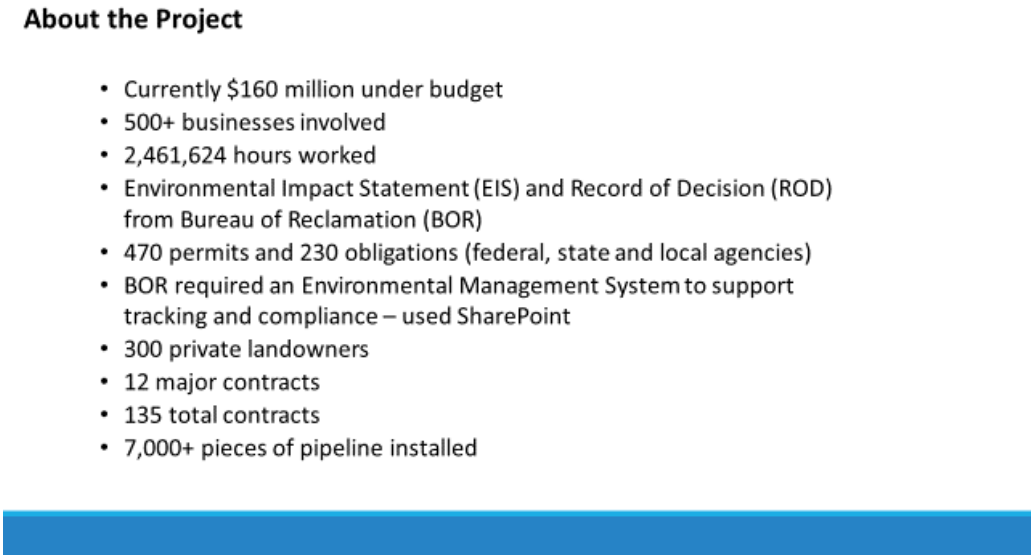
Report on Sand Hollow Wells - Doug Wilson reported first on the well at Toquerville. He showed on the map where the well is located. He said the water table is quite high and at less than 60' they hit water. The main goal of this well is to provide construction water for construction of the dam. They have capped it and will be going back to it in a few weeks.

Doug also reported on the wells being worked on at Sand Hollow. Three of the four wells are now drilled. He showed pictures of the drilling operations at Toquerville and Sand Hollow.

The wells on the west side of the reservoir will be instrumental in drawing down the water table and help to eliminate surface water that has been coming up. Well #4 on the east side of the reservoir is a well that we have re-drilled. Once the wells are drilled they will then have casing and screen installed, test pumping will take place, and then we will build pump stations and tie them into our existing system.

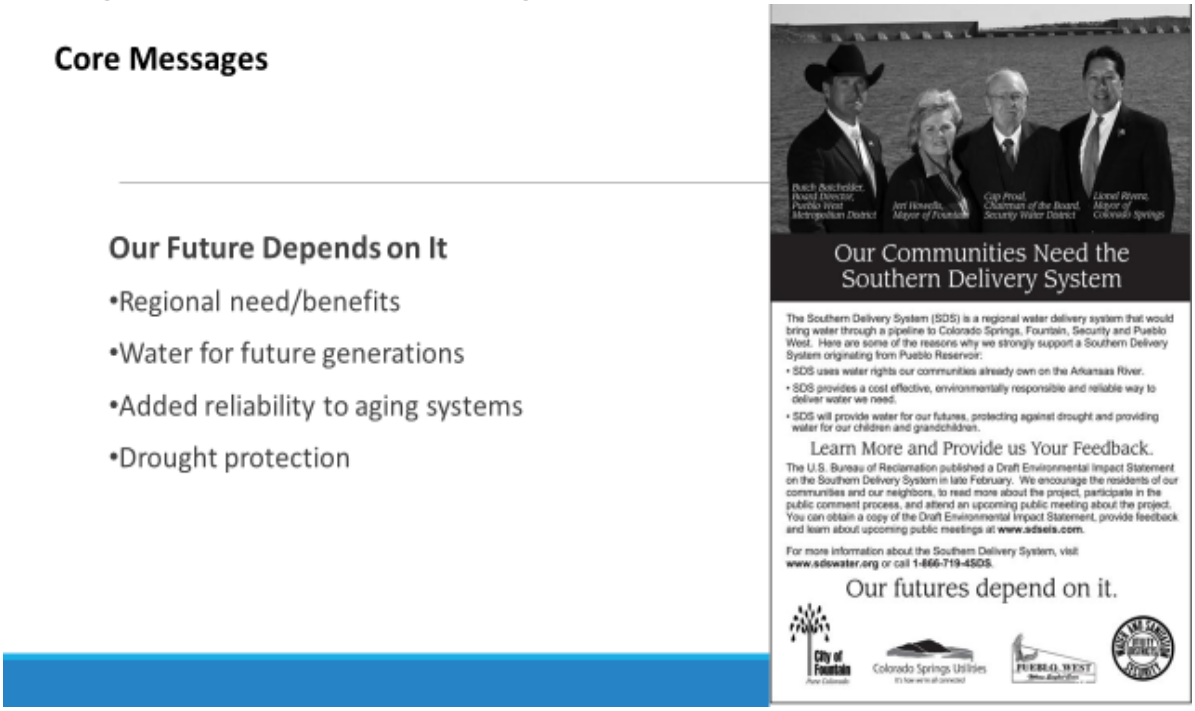
The next item on the agenda was a presentation and recap of the recent Southern Delivery System (SDS) Tour in Colorado. Karry Rathje did a PowerPoint presentation which summarized some of what they learned from this tour especially for those board members who were unable to go on the tour. Ron said he felt like there was a lot that could be learned that would benefit us on the Lake Powell Pipeline Project. There are some similarities between the two projects. The SDS Phase 1 property included 50 miles of underground pipeline, 3

pump stations and a water treatment plant. Phase 2 scheduled for 2020-2025 includes two reservoirs and expanded capacity at the water treatment plant. Karry reviewed their implementation schedule which included 7 years for major permits, 12 years of engineering, 6 years for land acquisition and 6 years of construction, many of these overlapping but about 14 years before the project was in service in 2016. Some major points learned about the project are included in the following slide from the presentation:



Karry also showed slides of their organizational strategy from planning to implementation, an organizational chart, program management and program resources. The presentation also reviewed program management, financing strategy and communication strategy. She finished the presentation with their Core

Messages outlined on the following slide:



<u>General Manager Ron Thompson discussed the following items:</u>

Ron showed the board a slide of the ***<u>Red Hills Desert Garden visitation</u>*** for Nov 15 through March 16 which showed a high of 14,402 visitors in November to 8,602 in March 2016.

Ron also reviewed the costs for chemicals at the Quail Creek Water Treatment Plant and the ***<u>operation and maintenance (O&M) rates</u>***. Power activated carbon has gone up 241%, aluminum sulfate up 36% and polymers have gone up 17%. The water delivery charge has not gone up since 2006. Also, utility rates and labor costs are up. Ron said he recommends that before the first of July the district needs to implement a .10 cents per 1000-gallon increase which would make it 94 cents per 1,000 gallons He would like to formalize this at the May board meeting. He told the board the staff has already met with the cities' water managers and discussed it. They also have a meeting set at the end of this month with the mayors and city and managers and they will discuss this again. The cities are already building it into their baseline budgets. Ron said we should not wait ten years between rate increases as we have done this time

There was short refreshment break after which the ***6:00 p.m. Board of Trustees meeting started.***

Board members present: Chair Ed Bowler, Jim Ence, Howard Bracken, Zachary Renstrom and Tom Hirschi. Mayors Pike and Neilson were not present.

General Manager Ron Thompson gave status reports on the following items:

Water year – Ron said we are at about 85% of normal on April forecast in terms of run off. This is better than last four years. He said the storm a week ago was a major contributor. There was two foot of snow and 2" of water in the snow pack. The west side forecast is still not as good. The percentile is still in the high 70's, low 80's.

He has a meeting tomorrow with the Santa Clara River water users and it looks like they will be at about 50% of their allocation.

Ron said there is not much snow below 7500'. Kolob has about 10 to 12 inches of water in the snowpack. Midway has 24" of water in snowpack. Most of this is going to come off in the next three weeks. The peak usually occurs the last week in April in a year like this. The flows on the Virgin River are about 200-300 cfs right now. Crystal Creek is starting to run into Kolob and we have a reasonably good chance to fill Kolob. Quail Creek Reservoir is down about 3,000 a.f. from where we would like to get it and hold it, but Ron said we should easily get that. Sand Hollow is higher than last year at its peak. Quail Creek is not quite as high as last year's peak. David Jessop, as reported in the work meeting, flew Crystal Creek in a helicopter this morning and didn't see any problems and everything looked good.

Ron said he doesn't think Gunlock will fill. It is pretty well done. The south facing slope snow is mostly gone.

The Ashcreek Reservoir project continues as they work through the environmental process. They are in the final drafts on those documents and the BLM's comments are back on the Environmental Assessment.

Ron said the district has been working on a ***plan to upgrade the waste water system in Dammeron Valley***. They hired the engineering firm of Bowen Collins to do the study. They recommended that they use an Orenco waste water treatment system. They have the state's approval on the design criteria and now have to work through some issues on the leach fields. Ron asked the board for

authorization to bid this as a sole source contract. The cost of the equipment is about $520,000 and they have got a $650,000 Letter of Credit from the developer. Tom Spiers from Bowen Collins is at the board meeting tonight. After some discussion the following motion as made:

> ***Tom Hirschi moved to authorize the bid for the sole source contract with Orenco for the waste water treatment in Dammeron Valley. Howard Bracken seconded the motion and all voted aye.***

Ron Thompson gave his Manager's Report.

Valve above Quail Creek Hydroplant – There is a 48" valve above the Quail Creek Hydroplant that is leaking. The valve is approximately $22,900 for the 48" valve replacement. Ron said they want to buy a Waterford valve. It appears to have the highest ratings so they would like to move ahead with this.

On the 2nd valve, Ron said the state dam safety and the staff would like to see another valve at the Quail Creek tunnel inlet. They would like a valve at the bulkhead. A replacement valve has been spec'd out. This way there would be a backup valve in that system. The 54" valve has been in for 30 years, so they would like this backup valve as this would be very important for that system. This valve will cost $40, 182.

The state engineer came down and looked at the reservoirs and how they are functioning and they are functioning very well but he urged the district to get that second valve in there also. This valve takes about 20 weeks to get here so Ron said they would like to move ahead with that.

Ed Bowler called for questions from the audience or the board. There being none and no further business to come before the board, the ***meeting was adjourned***.

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