

WASHINGTON COUNTY WATER CONSERVANCY DISTRICT

Minutes of Meeting of Board of Trustees

November 9, 2016

Minutes of a public meeting of the board of trustees of the Washington County Water Conservancy District, held on Wednesday, November 9, 2016, at 533 East Waterworks Drive, St. George, Utah with a work meeting beginning at 3 pm. Those board members present for the meeting were: Chair Ed Bowler, Howard Bracken, Jim Ence, Ken Neilson, Jon Pike and Tom Hirschi. Zach Renstrom was not present. Also present were General Manager Ron Thompson, Associate General Managers Barbara Hjelle and Corey Cram, Karry Rathje and Secretary Roberta McMullin. Other guests at the meeting included Engineer Marv Wilson.

Ed Bowler conducted the meeting and welcomed those present.

The first item on the work meeting agenda was a Public Outreach report by Karry Rathje –

Karry Rathje gave an overview of public outreach initiatives, reporting that 67 percent of known media coverage received to date was editorial while 33 percent was generated from opinion pieces. The most popular topics include the Lake Powell Pipeline, conservation/H2Oath, water rates, growth and the BLM Resource Management Plan. Coverage of the Lake Powell Pipeline included several varying topics, such as legislative actions, filing the licensing application and the cost/repayment options.

The district will work on continued public education outreach in 2017 and will prepare a proactive communications plan that will highlight the district's various projects (well development, Sand Hollow Regional Line, pump station at Anderson Junction, Ash Creek, Lake Powell Pipeline, etc.), district efforts, events, conservation initiatives and more.

Report on expenditures to date by General Manager Ron Thompson. – Ron distributed a copy for each board member of a breakdown of budget categories and how much has been spent in each category for the year. It was a large handout so

Ron suggested they take it home and review it and call Ron with any questions or concerns.

Review capital projects in 2017 budget – Ron also gave the board a handout with a list of capital projects included in the 2017 budget showing estimated total cost, estimated start year and end year and budgeted amount for 2017. A copy of that list of capital projects is attached to these minutes.

Status reports on various projects by General Manager:

Arsenic and manganese problem on west dam – Ron told the board this project will almost be about the same as St. George City did when taking the arsenic out of the Gunlock wells. Ron said they will probably need to go ahead and get this taken care of and move forward with it soon.

Ron said the main projects that they will be working on this next year other than the Lake Powell Pipeline (LPP) is the Ash Creek Project, the manganese problem on the West Dam and the Sand Hollow regional pipeline

Jim Ence added that he feels we need to let people know that the District is working on other projects. Some people think we are just pushing and working on the LPP and we need to let people know the costs of these other projects as compared to the LPP. If we can educate them on other projects and the costs per acre foot of water they will realize it is all expensive not just the LPP.

Sand Hollow wells – Ron told the board we have drilled four wells out there in the past year. We redrilled one of the Longley wells to be used in Sand Hollow. The district let the contract for the pump stations and Interstate Rock is working on that. Ron said the district also let the contract to install the pipelines to tie into the **Sand Hollow Collection system**. There are two wells by the Sand Hollow Resort, and a 3rd well is back to the northwest side of Sand Hollow Reservoir. Ron said they hope to have all four wells on line by the end of the year. Ron said he thinks there is a high probability this last well that they are straightening is going to be a big producer. There is still the issue of some groundwater moving up and there is another home that started having some groundwater come into it. It was different than the Hancock home, which was the first home, and which was turned over to insurance. That one is still a pending problem. They did nothing to try and mitigate the damages and now the basement has some mold. In contrast, on the second home, the Marsh home, he came in and wanted to work together to fix the problem and they worked out a plan with an engineer, put in a drain and put two

lines under the house that drains into a manhole. They also set up a system that the homeowner will be able to monitor this. Ron told the board they are working with the City of Hurricane to not allow basements in that area. The district has tried to work with the resort regarding watering and they haven't been willing to work with us.

Ash Creek Project – All geotechnical work has been done and now work on the final design needs to be done. We still hope to be building this project in 2017. Between the district and the BLM the EA is being rewritten and we hope they accept it by the first of year, have public hearings and then get a permit by early spring.

Lake Powell Pipeline – Ron told the board that the environmental review process is continuing. The study documents are with FERC now. Ron said the district needs to put as many resources as necessary on this to get these permits in our hand. He said what they have seen happen is all these agencies trying to work together and it is challenging. We need to get more facilitation going. Ron said they have been talking to John Fredell, who some of the board met in Colorado on the CDS project tour. He has good project management experience. Ron said he and other key staff think the District should hire him. He has some very good project management experience. The district could hire him as a consultant and Ron would also like to reassign Barbara to work with him and start facilitating this project. He is actually coming tomorrow and the next day and they will be meeting with some of the top brass from MWH and talking about this project and some of the things that need to get done.

Barbara added that there has been some disjointness to the project and we could really use his help and expertise. He has experience bringing these agencies together and working with them using a strategic plan. She said we need to get Department of Interior agencies to work together and somebody to birddog them.

Ron told the board one of the big hang-ups has been working through all the archaeology stuff.

There was a discussion about price elasticity. Ron said there is an argument that for every 10% you raise water rates you should have a 5% reduction in water use but when you look around the west almost every utility is using about a 3% reduction. Ron pointed out Portland as an example. Their base water rate is \$16-

17 per thousand gallons so they are at the high end and then you see St. George and other cities in between. The rate has something to do with precipitation and climate.

Ron showed the board a slide with various cities from a study to give them an idea of different areas and water usage. St. George households are using around 17,000 gallons a month. Ron said the thing he got out of the study is that no western community is using a rate higher than .3% reduction for price elasticity.

At 6:00 p.m. Ed welcomed those present for the public meeting. Present were board members Ed Bowler, Howard Bracken, Tom Hirschi, Jim Ence and Jon Pike. Zach Renstrom and Ken Neilson were not present for this portion of the meeting. Other guests included Clint Rogers from Carollo Engineering.

Manager's report –

Ron told the board that Hank Childers, the water treatment plant supervisor has been with the City of St. George and the district for 33 years. He is not quite yet where he could retire as far as being ready to go onto Medicare but he has some health issues and said he felt like it might be time to let him retire early. He would already be gone if it weren't for the health insurance issue. Ron said he would like to offer him an agreement that the district would pay his health insurance for two years until he gets to Medicare age. This would be good for him and good for the district. He has been a very good and loyal employee. Ron said he has made this offer to Hank but like to get board approval. After discussion the following motion was made.

Tom Hirschi moved to approve the district paying Hank Childer's health insurance for the next two years until he is 6, allowing him to retire early with the general manager working out the details. Jim Ence seconded the motion and all voted aye.

Ron said he talked in the work meeting about hiring John Fredell as a consultant. He would like to hire him on a sole source contract to work on the Lake Powell Pipeline Project. Ron said it would be a one year contract to start with. He would like to get board authorization to enter into this sole source consulting contract with John Fredell. He will be able to do a lot of work from Colorado.

Ron said John will be a great addition to this project and taking over more assignments. Barbara will be working with him. Barbara has lots of NEPA

experience and can focus on this project and working with John. Jodi Borgeson is doing a lot of the legal work now which will allow Barbara to focus on the Lake Powell Pipeline project. After discussion and answering some questions a motion was made as follows:

Jim Ence made a motion to allow the general manager to proceed with negotiations to hire consultant John Fredell. Howard Bracken seconded the motion and all voted aye.

Approval of Minutes of October 5 and 26, 2016 Board Meetings -

Tom Hirschi made a motion to approve both sets of October 2016 minutes as presented. Jon Pike seconded the motion. All voted aye.
