

**WASHINGTON COUNTY WATER CONSERVANCY  
DISTRICT**

Minutes of Meeting of Board of Trustees

December 7, 2016

Minutes of a public meeting of the board of trustees of the Washington County Water Conservancy District, held on Wednesday, December 7, 2016, 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, Howard Bracken, Ken Neilson, Jim Ence, Jon Pike and Tom Hirschi. Also present were General Manager Ron Thompson, Associate General Managers Barbara Hjelle and Corey Cram and Secretary Roberta McMullin. Other guests at the meeting are on the attached sign in sheet passed at the meeting. Ed Bowler conducted the meeting and welcomed those present.

**The first item on the agenda was an overview of the 2017 budget by General Manager Ron Thompson before the public hearing on the proposed budget.**

Ron gave a PowerPoint presentation which included the following information:

The district has 44 employees, 34 full time and 10-part time with the following educational degrees of staff – three juris doctorates, six master’s degrees and 15 bachelor’s degrees. He also reviewed all the state and national boards that staff members serve on.

Ron then reviewed the district assets and what the district staff manages which is summarized in the following slide from his presentation:

## District Assets

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The district manages:

- 5 reservoirs
- 1 treatment plant
- 7 diversion dams
- 9 storage dams
- 9 water storage tanks
- 2 hydropower plants
- 250 miles of pipeline
- 34 wells
- 8 storage facilities
- 5 pump stations
- 3 culinary water systems
- 3 demonstration gardens
- 2 filter stations
- 2 spring complexes
- 1 ground water recharge project
- 1 secondary water system
- 1 wastewater system
- Water shares in 6 irrigation companies

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He also presented a summary of the district's 2016 efforts YTD summary of efforts:

## 2016 YTD Summary of Efforts

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Worked with other state water conservancy districts to:

- Prepare a long-term water planning strategy
- Secure long-term funding for water infrastructure projects (SB 80 and SB 251)
- Determine key messages
- Present information to national, state and local audiences
- Prepare creative materials (website, brochures, etc.)

## 2016 YTD Summary of Efforts (cont.)

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- Delivered 7.32 billion gallons of culinary water to our regional cities
  - Conducted 5,300 water quality tests
  - Installed 7,750 feet of pipeline
  - Drilled 2,886 feet for wells
  - Produced 12,537,000 kilowatts of hydroelectric power
  - Installed 24 meters
  - Performed more than 100 dam inspections
  - Repaired approximately 25 pipeline leaks/breaks
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## 2016 YTD Summary of Efforts (cont.)

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- Rebuilt the Dammeron Valley Wastewater System
  - Replaced well pumps and column pipe in four wells
  - Partnered with The Virgin River to protect local endangered species
  - Performed pipeline inspections
  - Completed cathodic protection inspections
  - Monitored vibration in our pumps
  - Monitored temperatures in our motors and high voltage power components
  - Conducted new filter mechanism approach at the water treatment plant
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## 2016 YTD Summary of Efforts (cont.)

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- Designed a treatment system for the west dam to address well arsenic
  - Modeled an upgrade to the Virgin River Gorge fish barrier
  - Worked on environmental reports, modeling and/or designs for the district's various projects including Ash Creek Pipeline & Toquer Reservoir, Sand Hollow Regional Pipeline, well development and the Lake Powell Pipeline
  - Published an updated water conservation plan
  - Performed nearly 200 landscape water audits
  - Issued more than \$100,000 in conservation rebates
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The district's outreach efforts in 2016 included the following:

## 2016 YTD Outreach Efforts

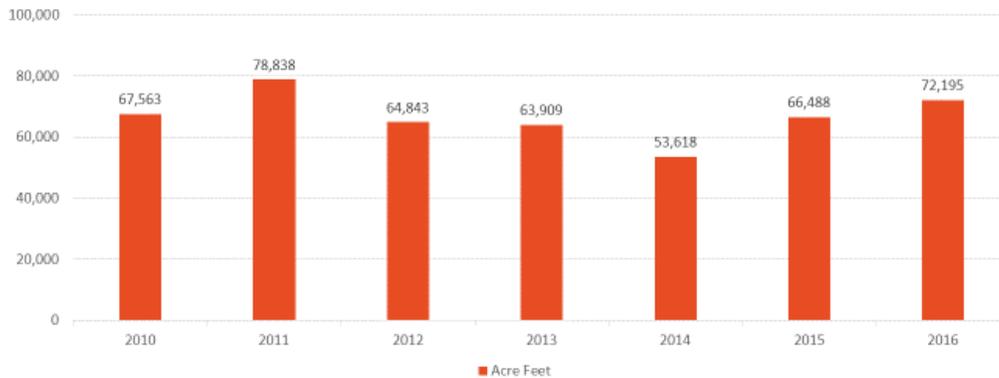
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- Provided information and/or interviews for approximately 200 media stories
  - Ran advertisements on print, radio, broadcast, theatre and social media outlets
  - Presented information at state water conferences, national trade organizations, Chamber of Commerce, Southern Utah Homebuilders Association, Leadership Dixie, What's Up Down South Economic Summit, etc.
  - Hosted 5 large community events and nearly two dozen landscape workshop classes
  - Accommodated more than 56,000 visitors at the demonstration gardens
  - Planned Water Fair for 2,000 attendees
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He finished his presentation with a summary of reservoir storage:

## Reservoir Storage

*Total reservoir capacity is 105,613 acre feet*



Several board members said they think this information of what the district is doing and has accomplished in 2016 is important and should be made public. Mayor Neilson suggested the district send it to the cities and they can put it on their websites. Ron said maybe this information can be included in the next Waterline newsletter. Karry is also doing a year end summary report which will include some of this information.

Ron proceeded to review the 2017 proposed budget. Ron reviewed the projected carry over and reserve funds along with projected revenues, available funds, total fund expenditures, reserve funds and each reserve fund balance. A copy of the analysis of 2017 budget cash flow and the rest of the proposed 2017 budget is attached to these minutes and incorporated by this reference. Ron continued and reviewed each budget including the general fund budget, water treatment plant budget, water fund budget, Toquerville Secondary Water System (TSWS) budget, Virgin River Recovery Program fund budget, hydro fund budget, waste water services budget, debt service fund budget and the capital projects budget as shown on the attached 2017 budget. Barbara added that on the Virgin River Recovery Program budget the District continues to make a substantial contribution in water and manpower.

Ron told the board that Hank Childers will be retiring on January 15. David Jessop will be taking Hank's position and the district is going to advertise for David Jessop's position. David is a Level 4 treatment plant operator and a level 4 field operator. Chuck Carney will also be retiring in April 2017.

Ron added that the waste water services budget doesn't have a lot of revenue. They had a formal start up today of the new wastewater system in Dammeron Valley. Ron said it will enhance the treatment mechanism and reduce the amount of nitrates coming out of the system. It will allow for 200 septic systems and has the potential to be doubled in size eventually.

Ron said that Casa de Oro subdivision had substandard pipe when we acquired it and the district has had to deal with this and fix lots of breaks in the pipe. Ron said they are going to have to do something about this. They will need to replace about 4600 feet of pipe. The plans are ready to go on this and they hope to get bids for this in January and February 2017.

Ron told the Board that the capital project fund has \$99 million dollars of projects in it. The two biggest projects are Ash Creek for \$34 million and the Sand Hollow Regional Pipeline for \$20 million. These should both start construction this next fall in 2017.

Zach asked if there would be any benefit to bonding some of these project costs and keep some of the money. Ron said this needs to be discussed further. Ron said it is very important for the district to keep their AA bond rating.

After this discussion on the 2017 budget, the following motion was made:

***Tom Hirschi moved to open the public hearing. Ken Neilson seconded the motion and each board member present voted aye in a roll call vote.***

The public hearing was opened but and there were no comments from the audience.

***Mayor Neilson made a motion to close the public hearing. Mayor Pike seconded the motion and all board members voted aye in a roll call vote.***

***Jim Ence moved to approve the 2017 budget as presented. Tom Hirschi seconded the motion. All voted aye.***

**Review expenditures year to date** – When the year is over Ron said they will email a copy of all expenditures since this board meeting through the end of the year for board members to review.

**Resolution allocating any fund balances in general and fund and water fund to capital projects fund.** Ron reminded the board that we have had a standing resolution regarding fund balances in the general fund and water fund going into capital projects which would mean that any unexpended funds in the 2016 budget be transferred to the capital funds budget.

***Jon Pike made a motion that all unexpended funds in the 2016 budget in the general and water funds be transferred to the capital projects fund.  
Ken Neilson seconded the motion and all voted aye.***

**Status report on impact fee collection for 2016.** Ron passed out a pie chart and bar chart showing what the district collected to date this year in impact fees for the board members to review. A copy of those charts is attached to these minutes and incorporated by this reference. The bar chart shows collection of approximately \$14,000,000 in impact fee and the pie chart breaks it down by city.

**The next item on the agenda was approving a meeting schedule for 2017.** A copy of a proposed meeting schedule for the 2017 calendar year was distributed to the board members for their review, a copy of which is attached. All meetings except for the October meeting are scheduled for the first Wednesday of the month with work meetings (beginning at 3 pm) in April, July and October. Ron proposed that the October board meeting be moved to the 3<sup>rd</sup> Wednesday and the tentative budget could be approved at that meeting. By law we must have a certain amount of days between approval of the tentative budget and final budget. Then we would have no meeting in November as there are two conferences in November and then our final board meeting of the year on December 6 where the final budget could be approved. Ron told the board that this draft schedule can be changed to accommodate the board members. After the board reviewed the proposed meeting dates and some discussion the following motion was made:

***Jim Ence moved to approve the 2017 meeting schedule as presented.  
The motion was seconded by Howard Bracken and all voted aye.***

**Resolution authorizing an employer pick-up of employee retirement contributions** – Ron explained that this resolution authorizes an employer pick up

of required employee contributions in the amount of 100% for those district employees participating in the Utah State Retirement system. The board has been passing a similar resolution every year.

*Tom Hirschi moved to pass the resolution authorizing an employer pick-up of employee retirement contributions. Jon Pike seconded and all voted aye.*

**The next item on the agenda was the Manager's report –**

**Water year** – Ron said there is carry over storage in the reservoirs and we are in fairly good shape, but as far as early snow pack which we like to see by this time we are low. He said the forecasts say it will be a warmer winter which means less water.

**Employee evaluations** – Ron reported to the board that he had been working on doing these evaluations with all district employees. He said he feels like we have a great distribution as far as age in the district with a good mix of young people. We have very good employees who like their jobs and are doing a good job. We have good thinkers with good educational backgrounds at every level.

**Regional pipeline** – The district is going through a major inspection of the line that goes from the water treatment plant to Snow Canyon. Some of the line is 60” and some is 72”. They are going through the 60” now and then they will go through the 72” pipe. They have been working with the cities to fill their tanks and the city crew in St. George and Washington, who are major players in this line, have been excellent to work with. Ron asked the mayors to express appreciation to their crews. There is polyurethane lining in that pipe and there have been some problems in the industry with the polyurethane lining separating from the pipe so the district has some staff in the pipe physically inspecting it. In what they have inspected to this point it looks good. It has been 10 years since it was installed and so it was time to check it. Overall, it looks very good for what they have inspected, but Ron said he will have a better report at next month's meeting after they have finished.

**Lake Powell Pipeline Project(LPP)** – Ron said that as the board already knows, the staff has been concerned about the performance we are getting out of our contracted engineering firm. Ron told the board that John Fredell is now under contract with the district to work on the LPP. Ron also told the board that Barbara has been reassigned to the Lake Powell Pipeline Project but will also finish the

Environmental Assessment on Ash Creek. Ron said he thinks this will help move things forward and we will get better accountability but we must go after getting this environmental document done and get it done right. MWH has reassigned their best FERC staff person to work on this. Phil Tuna, with MWH, has been assigned to fill the role that Marc Brown was doing before he died and we are starting to see some positive changes. Ron told the board that John Fredell is going to be very helpful. He is very smart and knows the environmental process and project management very well. He will be retiring from his job in Colorado after January 1 and will be able to devote more time to the LPP. Ron said we must put the necessary resources into this project to get it done right.

**Approval of Minutes of November 2016 board of trustees meeting -** The minutes of the November 2016 board meeting were reviewed by the board and approved by a motion.

***Ken Neilson moved to approve the November 2016 board of trustees meeting minutes. Tom Hirschi seconded the motion and all voted aye.***

Ed thanked public for their attendance.

***Jon Pike moved that the board to go into executive session. Ken Neilson seconded the motion. All board members voted aye.***

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Chair Ed Bowler asked for any comments or questions from the audience or the board. There being none the following motion to adjourn was made:

***Tom Hirschi moved to adjourn the meeting. All voted aye.***

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