

**WASHINGTON COUNTY WATER CONSERVANCY
DISTRICT**

Minutes of Meeting of Board of Trustees

December 6, 2017

Minutes of a public meeting of the board of trustees of the Washington County Water Conservancy District, held on Wednesday, December 6, 2017, 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, Kevin Tervort and Chris Hart and Jon Pike. Board member Ken Neilson was not present. Also present were General Manager Ron Thompson, Associate General Managers, Barbara Hjelle, Corey Cram, Brie Thompson, Karry Rathje, legal counsel Jodi Richins, 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.

There were people present in the audience from the Dixie Springs Subdivisions regarding the proposed Lake Powell Pipeline (LPP) transmission lines that are proposed to run through that area in the future. Ron suggested that the board take public comment at the beginning of the meeting instead of making them wait until the end of the meeting since we have a long agenda.

Chair Ed Bowler welcomed those in the audience and asked Ron to give some background information on the proposed transmission lines and then we would take their comments.

Ron put a map of Google Earth showing Dixie Springs Subdivision and the Sand Hollow Reservoir area. He showed the route of the proposed transmission line. Ron said he understands there are two groups at the meeting with two different ideas about where the transmission lines should go.

Ed opened the meeting up for the public present to make comments.

Nile Jackson, a Dixie springs resident said they live right on the 3400 corridor and they would rather have the big powerline farther west or underground if possible.

Ron said at present it is not planned to be buried because it is very expensive to do that. He also explained that it has been on the plat map for many years. Ron gave a short history of the Dixie Springs subdivision and the problems with a large

amount of title problems, some lots being sold twice and the developer ending up in jail. It finally got all straightened out and the county created a special improvement district on the west side. Now the east side is developing very fast. The other proposal is to have the line go up 4300 West but this line would be much longer.

Don Parrish said he lives on 2440 South on the north side, to the west of 3400. He showed the location on the map. He said since they didn't want the power poles on their side and the other people don't want big power poles on the west side either, maybe there is a third alternative that could be considered that might make everybody happy.

Ron said a decision would be premature at this point. We need to first go through the environmental process and people will be able to make comments. When this becomes more of a reality, there can maybe be adjustments made or a better alignment found. Zach Renstrom added that we can't really make changes right now since it has been submitted to FERC. We will have to wait to make any adjustments.

Jon Pike told the audience members that there wasn't much the board could do today, but we are aware of their concerns and we will address this more in the future. Some of the audience expressed that they hoped they could receive notice when this is discussed in future meetings.

Ron explained that the Lake Powell Pipeline is a state project and one of the audience members asked if he could go over the timeline for the project. Ron explained that we are in the environmental process now and that will wrap up in 2019 and then we will go into final design and start construction in early 2020's which will probably take five or six years to build.

Mark Trevet pointed out a possible alternate route on Google map for consideration. Ron said that could possibly be an option.

Ron again reminded everyone that this line was planned a long time before there were any houses in Dixie Springs.

Don Parrish thanked the board for letting both sides express their concerns and opinions.

Ed thanked those in the audience for coming and said the board wants to be aware of their concerns and they are always welcome to come to our meetings.

One audience member said that there is no one neighborhood representative that represents the whole community.

Manager's Report by Ron Thompson – Ron gave a general overview of the District and the past year in a PowerPoint presentation reviewing the district staff, assets and infrastructure and the water district efforts in 2017 which included the following:

2017 YTD Summary of Efforts

Worked with other state water conservancy districts to:

- Develop and share a long-term water planning strategy
- Protect state funding for water infrastructure projects
- Engage in extensive outreach efforts
- Present information to national, state and local audiences
- Prepare creative materials (website, brochures, etc.)
- Participate on state boards and committees

2017 YTD Summary of Efforts (cont.)

- Delivered 7.7 billion gallons of culinary water to our regional cities
- Conducted 7,500 water quality tests
- Installed 13,600 feet of pipeline
- Produced 14 million kilowatts of hydroelectric power
- Installed 330 meters
- Performed more than 150 dam inspections
- Repaired approximately 30 pipeline leaks/breaks
- Built 5 new pump stations

2017 YTD Summary of Efforts (cont.)

- Completed the Dammeron Valley Wastewater System
- 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
- Concluded filter study at the water treatment plant; ceased pre-chlorination based on study findings

2017 YTD Summary of Efforts (cont.)

- Updated the Impact Fee Facilities Plan (IFFP)
- Conducted a water use study
- 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
- Conducted 35 tours of the water treatment plant
- Issued more than \$150,000 in conservation rebates

The following graphic shows a summary of the infrastructure of the district:



Report on Outreach and education - Karry Rathje - Karry informed the Board that the district provided information and/or interviews for more than 100 news stories, ran advertisements on print, radio, broadcast and social media outlets. The district also presented information at state water conferences, national trade organizations, Chamber of Commerce, Southern Utah Homebuilders Association, Leadership Dixie, the Economic Summit, etc., hosted four large community events, two dozen landscape workshop classes, accommodated more than 110,000 visitors at the demonstration gardens and planned a water fair for 2,000 attendees. Other outreach efforts included a LPP logo, developing a brand, Top 10, Fact Sheet, E-Newsletter, Setting the Record Straight and LPPUtah.org website.

2018 Budget – Ron presented and reviewed the proposed 2018 budget. He showed some graphs on the screen showing the general fund 2016 budget, 2017 budget, 2017 projected actual budget and the proposed 2018 budget. Ron reminded the board that traditionally the unspent funds in the general fund are moved to the capital projects fund and there will be a resolution presented later in the meeting for the board to consider for approval regarding this.

Ron then reviewed the other funds including the Water Treatment Plant, Water Fund, Debt Service and then the Capital Water fund. He then did a 2018 budget summary. He said there is \$120 million dollars in available revenues and they have budgeted about \$116 million of that.

Ed Bowler opened the public hearing for the 2018 budget. There were no comments from the public and the public hearing was closed.

Ed asked for any questions from the board regarding the budget.

Chris Hart asked if most funds are adjusted for inflation. Ron said he took the 2018 budget and looked at the forecasted rate of growth and average inflation rate and that should be the ceiling. Ron said he doesn't believe government should spend more than their budget adjusted for inflation and growth.

Ron discussed the capital project fund. He said he has felt for some time that we need to buffer our water treatment plant in terms of ability to operate in a crisis. He is proposing building a larger fuel storage facility and having backup generator capability. He said they want to put in a 30-day supply and set it up so the fleet can gas up there to keep the fuel fresh. This would help buffer the plant. This shows up in the capital projects fund for a fuel tank and a generator.

There were no further questions and Ron said this is the budget the staff proposes the board approve for 2018.

Ratifying repair and replacement expenditures for 2017 – Ron explained that there are were a few major expenditures which included a catastrophic failure of the line along the frontage road at Leeds for approximately \$200,000. They also had a lot of failures in Sky Ranch and replaced a lot of distribution lines. The line developed by the developer had lots of breaks so they replaced that and several big valves which were in failure mode. A 54" valve was replaced with a redundant valve and they also replaced some 48" valves that were leaking badly. These were the major items that were replaced out of repair and replacement fund and were things that would not normally be budgeted for and totaled \$799,686.

Jon Pike made a motion to ratify the repair and replacement expenditures for 2017 as outlined by the general manager. Zach Renstrom seconded the motion and all voted aye.

There were no further questions or discussion regarding the 2018 budget and the following motion was made:

Kevin Tervort made a motion to approve the 2018 budget as presented. Chris Hart seconded the motion and all voted aye.

Expenditures year to date –Ron said an itemized detail of expenditures was given to the board members at the last meeting and there is more to be added to that which could be reviewed in January 2018.

Consider resolution of the WCWCD Board authorizing adjustments to the 2017 budget

Zach Renstrom made a motion to approve the resolution authorizing adjustments to the 2017 budget. It was seconded by Kevin Tervort and a roll call vote was taken:

Chris Hart	yes
Howard Bracken	yes
Jon Pike	yes
Zach Renstrom	yes
Ed Bowler	yes
Kevin Tervort	yes

2018 Board Meeting Schedule – The proposed meeting schedule for 2018, along with a list of conferences was reviewed by the board.

Jon Pike made a motion to approve the 2018 meeting schedule. Chris Hart seconded the motion. All voted aye.

Impact fee on fire station in Hurricane Valley area -

Ron told the board he had received a request to waive the impact fee on a fire station for the Hurricane Valley area. Ron said for regional cities we usually waive the impact fee and this is a special service district. Kevin Tervort said he serves on that board. Ron said we waive impact fees for all the cities in the regional water supply agreement. Ron said he feels like this makes sense since this fire station will be serving participating regional cities.

Chris Hart moved to waive the impact fees for this fire station in Hurricane Valley. Jon Pike seconded the motion. All voted aye.

Consider exchange of properties with Ash Creek Ranch Academy based on appraisal values and supplementary amount to be paid by academy. –

Ron said he had been approached by the boys’ home in Toquerville regarding an exchange of property. Ron showed the location on Google Earth of the property located by the Gary Davis pond. We have a road that comes into this property. Ron showed the board on the screen of Google Earth what property the district owns. They want to trade the property acre for acre but Ron told the Board he didn’t think that was what we should do. The district had an appraisal done and the district’s property was appraised at 24,000 and the Ash Creek Ranch property was appraised at \$17,100. Ron showed the property they propose to exchange and theirs is floodplain ground. They want to trade plus give us \$11,000. Their motivation is they want to build an office complex. Ron pointed out that the district owns most of the pond. We own the water and we have an easement for what we don’t own. We get would get 2.9 acres of floodplain property and they would get 1.1 acres and we would keep a 20’ easement.

Chris Hart moved to have the general manager negotiate the exchange between the district and the Ash Creek Ranch Academy. Zach Renstrom seconded the motion. All voted aye.

Resolution adopting the policy regarding edibility of elected officials – Ron said we pass a resolution like this every year. Appointed and elected board members are not eligible for retirement benefits. The state retirement requires us to pass a resolution every year on this.

Mayor Pike moved to approve the resolution adopting the policy regarding eligibility of elected or appointed officials for employee benefit programs. Mayor Hart seconded the motion to approve the resolution and a roll call vote was taken as follows:

Chris Hart	yes
Howard Bracken	yes
Jon Pike	yes
Zach Renstrom	yes
Ed Bowler	yes
Kevin Tervort	yes

Resolution amending policy regarding disposal of surplus personal property –

Ron told the board that the district has traditionally traded old vehicles in when new vehicles were purchased. In our policies it says the general manager can decide whether to trade vehicles in or not, but it has limits and they want to take those limits off. Ron says it has worked well for the district to trade those vehicles in, but our attorneys said we need a resolution. Ron said they are trying to keep the policies consistent with what is being done.

Zach Renstrom moved to approve the resolution amending the district's policy regarding disposal of surplus personal property. Kevin Tervort seconded the motion and a roll call vote was taken.

Chris Hart	yes
Howard Bracken	yes
Jon Pike	yes
Zach Renstrom	yes
Ed Bowler	yes
Kevin Tervort	yes

Resolution adopting a capital asset assessment, maintenance, and replacement policy –

Ron told the board we have to file with the state by the end of the year our capital asset plan which requires that we have a capital asset assessment maintenance and replacement policy. He said this is consistent with what the other three water districts that have to file this report are using. We will submit this along with our plan to the state in the next few weeks.

Kevin Tervort moved to adopt the resolution adopting capital asset assessment, maintenance and replacement policy. Jon Pike seconded the motion. A roll call vote was taken.

Chris Hart	yes
Howard Bracken	yes
Jon Pike	yes
Zach Renstrom	yes
Ed Bowler	yes
Kevin Tervort	yes

Status reports –

Pah Tempe – Corey Cram gave the board an update. He said salinity, as they know, is a big issue in the Colorado River and locally in the Virgin River, with our local hot springs contributing over 110,000 tons of salt a year. This affects our ability to use the water downstream. The district has been working with the Bureau of Reclamation’s salinity control forum to investigate and understand what is going on in there. It has been a big priority on their list. Corey said their investigation objectives involved drilling and coring three bore holes. Corey showed the location of those on a map and will keep the board updated on this effort.

Endangered fish program – Corey gave an update on this program. Corey said with all the efforts in this program now they haven’t seen a Red Shiner since about 2013 and they are seeing a lot of Woundfin. This is a big turn around since he came 13 years ago. The Spinedace population naturally goes up and down. It was once petitioned for federal listing but the district worked to establish a conservation agreement instead. The fish is now found in 95% of historical habitat. Corey said they are raising about 20,000 Woundfin per year in hatcheries in New Mexico. They stock the river at optimum times to get river reproduction. They are seeing fish survival and offspring. They have done a good job of getting rid of the Red Shiner which makes room for the Woundfin. Corey said the pumpback system has really helped with this. It allows water to flow backwards from Sand Hollow Reservoir and pumps water up our Quail Creek pipeline. Sand Hollow water offsets demand and puts water back in the system. The district’s operations have been crucial in recovery efforts.

Lake Powell Pipeline – Barbara Hjelle gave this update. She said most of the board was at the Bureau of Reclamation meetings at the Dixie Center this week and thanked those who came and spoke. She said she believes we are headed to a contract that will be in the ballpark of where we need it to be. There will be more meetings on this over the next months. She said they continue to move forward and have a great team working on this. It is important to identify and address any possible fatal flaws during this process.

Sand Hollow Regional Pipeline – Ron said Corey and Jodi are meeting with US Fish and Wildlife Service tomorrow on this project to work out final mitigation. They are still hoping to start construction in the spring. We just need the final permits to move forward. The construction of the project should only take about a year.

Ash Creek Reservoir– Ron said they are getting final documentation worked out and will probably be changing the contractor from Stantec to the same people who did the Sand Hollow project.

Staff - Ron said the district has two people who will be retiring soon – Doug Wilson and Melodie Bundy. Doug is retiring in March to go on an LDS mission. Ron said they will be bringing Randy Johnson in from the field. He has a degree in project management and they will also move Mark Layton over to supervise IT which Doug was doing. He said they will also bring Braden out of the field to work on SCADA and then hire two new field people. Ron said they will have to hire another person to work in accounting with Carly after Melodie retires.

Ron told the Board they have recently entered into a contract with Dave Clark to work on community outreach on the LPP project. He will be paid \$125 an hour and an initial retainer. He has already done a very good job and he has a lot of capability and contacts. Ron said they look forward to having him on board on this project.

Ron said he is very proud of the district’s staff and doesn’t know of any water district with more talent and especially that has as much younger staff coming up like we do.

Weather conditions– Ron said if this weather pattern continues we are in trouble. We have water in our reservoir, but we may have a dry watershed at Christmas. We have had this before but he said he hopes it changes after the first of the year. Two or three good storms could change things.

Approval of Minutes –

Zach Renstrom moved to approve the October 2017 board of trustees meeting minutes. Kevin Tervort seconded the motion and all voted aye.

Closed Meeting –

Jon Pike made a motion for the board to go into a closed session which was seconded by Chris Hart. A roll call vote was taken.

Chris Hart	yes
Howard Bracken	yes
Jon Pike	yes
Zach Renstrom	yes
Ed Bowler	yes

Kevin Tervort yes

The regular board meeting was adjourned.

