

WASHINGTON COUNTY WATER CONSERVANCY DISTRICT

Minutes of Meeting of Board of Trustees

October 17, 2018

Minutes of a public meeting of the board of trustees of the Washington County Water Conservancy District, held on Wednesday, October 17, 2018, at 533 East Waterworks Drive, St. George, Utah, beginning with a work meeting at 3 pm. Those board members present for the meeting were: Chair Ed Bowler, Zachary Renstrom, Ken Neilson, Chris Hart, Howard Bracken, Ken Neilson and Jon Pike. Also present were General Manager Ron Thompson, Associate General Managers, Corey Cram and Brie Thompson. Other staff included Carly Merrill, Ryan White, Julie Gillins 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.

3:00 PM Work Meeting:

Ron Thompson introduced new employee, Celeste Malloy, to the board. She will be working as legal counsel for the water district.

The first item on the work meeting agenda was a **presentation by Ryan White, Red Hills Desert Garden Manager**. Ryan explained that he had given this presentation recently at the Water Smart Innovations 2018 conference in Las Vegas. Some of the areas he discussed in his presentation were:

- There is an increasing demand for water in the Western US
- Local and stateside water conservation education programs
- Evolving landscape norms and the unique culture of each area that must be taken into consideration
- Washington County norms
- Results of survey done as part of his master's thesis

Ron said that the garden visitation at Red Hills Desert Garden was at about 57,000+ visitors this year to date which is about 4,000 more than last year.

After the presentation Ryan told the board about the Scarecrow Festival at the Red Hills Desert Garden. The scarecrow entries doubled to 28 this year and they had almost 2,000 people visit the garden yesterday for the opening.

The board took a break to walk over to the Desert Garden and visit the Scarecrow Festival.

The next item on the agenda was a **discussion on water conservation led by Brie Thompson and Julie Gillins**. Brie discussed conservation as part of looking at the supply demand modeling. Water conservation is a big part of that. We currently have a water conservation plan that was redone in 2015 and a new plan will be done in 2020 and they are trying to come up with some measures that would either enhance or add to the current program. Julie passed out a handout with a list of new conservation programs that are under consideration. Julie briefly reviewed these measures.

Measure #1 is System Audit & Loss Control. This encourages regional water supply cities to set a goal of audit and loss control of 10 percent or less. Julie said they already have this measure implemented but would like to improve and enhance it.

Measure #2 is to distribute showerheads. They have already established distribution of showerheads through the district office and will possibly use EPA's WaterSense "Shower better" campaign.

Measure #3 is Public Landscape Coupon. They would work with local nurseries in establishing a homeowner's coupon that they can use toward the purchase of a plant on our plant list.

Measure #4 – New building standards for water-efficient homes which would promote WaterSense Homes in the county.

Measure #5 – Washer Rebate. This would look at partnering with energy providers to offer rebates on clothes washers Energy Star certified with a IWF <3.2.

Julie said these are some of the programs they would like to implement. A copy of the handout regarding these water conservation measures is attached to these minutes.

Mayor Hart suggested another water conservation measure to consider would be the looping of hot water systems. He said this would save a lot of water while people are waiting for the hot water to come to a particular faucet in a home. He suggested looking into incentivizing this water conservation measure somehow.

The next item was status reports on various district projects:

Corey Cream reported on the following projects:

Sand Hollow Regional Pipeline – Corey said this is the 11.5-mile pipeline that connects the Sand Hollow well field and the upcoming Sand Hollow water treatment plant with the pipeline that will follow SR 7 and drop down to Warner Valley. It goes past Washington tank and drops into Washington Fields. Corey said this looped system gives us a lot of redundancy and reliability and will deliver water to St. George and Washington. At present they are going through the BLM permitting process such as a plan of development, scoping, studies, biological assessment, biological opinion, environmental assessment, record of decision and Finding of No Significant Impact (FONSI).

The other permit is with the Army Corp of Engineers. Corey explained to the board that there is a lot of work involved with this. It is a 56-page permit on 42 dry washes which rarely have water in them. There was some discussion that followed among the board and staff about the cost and time of dealing with the layers of bureaucracy on these projects.

Corey said the next steps on this project is the property for the project. There is an 801-acre purchase from SITLA with an archaeological survey required. They are doing appraisals now. This must be approved by their board and be signed by the governor for this project. There are also four private properties owned by the Foremaster family. The appraisals are complete on this and they are working on approved easements. The plans are finalized for the project to create an access for construction. This will be bid as soon as permits are acquired, and land finalized. The construction contract will follow. The goal is still to begin the work this winter.

Ash Creek Project – Corey told the board they are renewing the MOU with the BLM for the archaeology. They are finishing archaeology studies and reports. The environmental consultant has rewritten the environmental assessment (EA). They are reviewing the plan of development. Corey will be doing a presentation to the Piute Indian Tribe of Utah on November 15. Should be submitting the EA to the BLM soon. This project will replace the leaky Ash Creek Reservoir and their goal is a pipeline design that will put water out of reservoir into the pipeline faster than it leaks out.,

Sand Hollow well drilling – Corey gave a brief report on the well drilling. Well 12 was reamed to 26 inch and straightened to specifications. They are installing

casing and then they will filter sand. On Well 10 they are still waiting for the well driller's new engine to facilitate pump testing.

Kolob Reservoir draining and treatment – UDWR treated the reservoir on October 15 and 16 to get rid of invasive fish. The chemical will sit and slowly breakdown and then they are planning to stock the reservoir again in the spring. UDWR thought treatment went well and expressed appreciation to the District for their help and support. As far as maintenance work the district is installing new four and six-inch pipes which service the outlet gate, installing new stainless steel hydraulic tubing next week and then pipes will be bedded and covered.

Sand Hollow Groundwater Treatment Plant – Corey said Carollo Engineers are designing the treatment plant. Recently some of the district staff visited similar arsenic plants in Boise, Idaho. They are evaluating key filter water disposal issues.

Lake Powell Pipeline (LPP) – Ron gave the board an update on the LPP. The environmental process is restarted with the public comment period restarted and then closing on 11/19. The final responses are due from water district and the state by December 29. Secretary Zenke's office will have a liaison to coordinate the federal agencies involved. The district has spent about nine million dollars and the state about 30 million to move this process forward. Ron said they still think they will have a draft environmental assessment this spring and then the final process and final record of decision in the late spring of 2020.

Carry over storage – Ron told the board there is no water in Kolob Reservoir and not much in Gunlock. Also, Quail Creek Reservoir is down about 15,000 af of water and Sand Hollow is about 12,000 af down, but they are both still pretty full. He said he doesn't know yet what will happen on the Santa Clara system. We did get some good storms over the last few weeks and some snow in the mountains.

Brie Thompson gave an operations report on the following projects:

Hurricane City Inter connection/ Hurricane Valley Water Systems for pipeline replacement – This is a new connection allowing water to be provided to the Sand Hollow State park from Hurricane City's system when the Hurricane Valley wells are offline. There was replacement of 1,000-foot section of pipeline below the Sky Ranch water tank that was experiencing frequent leaks. This project was completed in September and cost approx. \$130,000.

Toquerville Secondary Water System (TSWS) Meter installations – Brie said they are continuing with installations in TSWS. They had a \$300,000 WaterSmart grant to use for this. There have been 310 meters installed since 2017 and approximately 100 meters left to install.

Cottam to Virgin Pipeline Repair - There was a break in the pipeline supply to Cottam Well water to La Verkin and Virgin. This is the sole supply for the Town of Virgin. A temporary HDPE replacement line was installed and new 12” PVC installed.

Ence Well Repair and Replacement Work - A new pump was installed with VFD last spring to meet Kayenta’s peak summer demands. They will be installing a new chlorination system. There is a need to rehabilitate the existing well and they are also looking at options for enhancing system redundancy

Stormwater Mitigation at Quail Creek Water Treatment Plant (QCWTP) – Brie reminded the Board they had a flood event at the plant in July. UDOT did some work on the borrow ditch and there was concrete work done to prevent water from entering sedimentation channel and conduit channel. There is still additional grading work to be completed.

Preliminary 2019 Proposed Budget – Ron said the board needs to consider and approve a preliminary budget. The preliminary budget may change. There has to be 30 days between the approval of preliminary budget and the public hearing to finalize budget and so it is on this agenda because there isn’t enough time between November and December meetings.

Ron discussed staffing issues for the budget. Zach Renstrom will begin working in January 2019, there is a new attorney, and there is a new field employee. Ron said he also budgeted some money to make cost of living adjustments to employees. Ron said the September impact fees were down significantly and he expects we might see some downturn in the economy. Ron said they are seeing lots of new subdivision activity. Ron reviewed other various expenditures projected for 2018. He reviewed the cash flow analysis page and the projected carry over and reserve funds for the proposed 2019 budget and it is \$195,202,437. He also reviewed projected revenues in the different funds for total available funds of \$229,513,398. Ron reviewed fund expenditures which total \$135,786,475 leaving available funds for reserve funds of \$93,726,923.

Estimated funds available for 2018 to 12/31/18 are \$208,067,071. Expected total projected funds to 12/31/2018 are \$208,067,071. Estimated expenses to year end 2018 total 12,864,634 for a net available funds of \$195,202.437.

Ron said the preliminary budget is on the agenda for the 6 pm meeting. This was an overview of the preliminary budget, but he will answer any questions and give more detail as needed in the 6 pm meeting. After the preliminary budget is adopted, it will then be refined, and final approval will be at the December meeting after the public hearing.

6:00 PM meeting:

Consideration of approval of 2019 preliminary budget – The first item on the agenda was the consideration and approval of the 2019 preliminary budget. Ron asked for any additional questions or detail the board would like on the proposed budget. There being none, the following motion was made.

Jon Pike moved to approve the preliminary 2019 budget as presented, and a copy of which is attached hereto and incorporated herein to these minutes. Chris Hart seconded the motion, and all voted aye.

Consideration of adoption of credit card policy – Ron said the district had received requests about use of credit cards. He recommended adopting a policy. Ron explained that the district has an American Express account with Sky Miles rewards associated with that. The district also has Visa cards for when vendors will not accept American Express. Ron said the district has always required a receipt to be turned in to document credit card expenditures. He proposed that the board formalize this policy. The board reviewed a copy of the proposed policy after which the following motion was made:

Jon Pike moved to approve the resolution adopting policy on use of district credit cards, a copy of which is attached to these minutes and incorporated herein. Ken Neilson seconded the motion. A roll call vote was taken, and all voted aye.

The next item of business was **Consideration of Updated Statement of Intention to Levy a Tax Rate that exceeds the Certified Tax Rate.** The approximate dollar amount of additional ad valorem tax revenue that would be generated by the proposed increase in the certified tax rate is \$650,000.00. The approximate percentage increase in ad valorem tax revenue for the District based on the proposed increase is 6.7%. Ron told the board that once we approve this the board

will have to go to a meeting with the county commission and tell them we are raising the tax rate and why. He said the mayors and the county commission are aware of what we are proposing.

Ken Neilson moved to approve the Updated Statement of Intention to Levy a Tax Rate that exceeds the Certified Tax Rate, a copy of which is attached to these minutes and incorporated herein. Kevin Tervort seconded the motion, and all voted aye.

Approval of bid award on Ivins Dam Toe Drain – Ron indicated that we had bid this before and it was quite a bit higher than we anticipated so we went back to the state and got a 90% grant and then rebid it. The low bidder is Interstate Rock at \$261,762.00. This is 20% less than the bids before.

Chris Hart moved to award the bid to the low bidder Interstate Rock for the Ivins Dam Toe Drain. Kevin Tervort seconded the motion, and all voted aye.

Manager's Report – Ron said the district received a recommendation from the state auditor on how we obtain our bond underwriter. We don't have a contract for a bond underwriter. We had a five-year contract with George K. Baum Co. which expired at the end of the year. Ron said he always negotiates the fees. Ron recommends we accept the state auditor's recommendation and so he has drafted a letter to that effect.

Approval of Minutes of July 11, 2018 board of trustees meeting. – The minutes were reviewed by the board.

Jon Pike made a motion to approve the July 11, 2018 minutes as presented. Ken Neilson seconded the motion, and all voted aye.

There was no further business to come before the board of trustees, and the meeting was adjourned.