

WASHINGTON COUNTY WATER CONSERVANCY
DISTRICT

Minutes of Meeting of Board of Trustees
October 22, 2019

Minutes of a public meeting of the board of trustees of the Washington County Water Conservancy District, held on Tuesday, October 22, 2019, 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, Kevin Tervort, Ken Neilson, Howard Bracken, Chris Hart, Victor Iverson and Jon Pike. Also present were General Manager Ron Thompson, Deputy General Manager Zach Renstrom and Associate General Managers Barbara Hjelle, Corey Cram and Brie Thompson. Other staff included Karen Barnum, accountant, Secretary Roberta McMullin and Karry Rathje. Other guests at the meeting are included on the sign-in sheet attached to these minutes.

Ed Bowler conducted the meeting and welcomed those present,

The first item on the work meeting agenda was an update on the Lake Powell Pipeline project from Barbara Hjelle

Barbara said that the state elected to withdraw the Federal Energy Regulatory Committee (FERC) application because Congress passed an amendment that allows exemptions for any powerplant under 40 megawatts and all our planned inline hydroplants on the project are under that level. She explained to the board that by eliminating this specific federal agency it simplifies the project and turns it into a more focused project. FERC filed notice the other day that they accepted our withdrawal. The state wrote a letter indicating that they would like the Bureau of Reclamation (BOR) to stay on as main agency. Barbara told the Board that BOR has been doing a fabulous job. They are motivated to get the work done. She said they are now waiting for a response from Department of Interior (DOI) confirming that BOR will be the lead agency. They believe they won't have a closed-door policy like FERC because they (BOR) don't have an ex parte rule and they will talk to you about the project. She said they have been waiting to see what kind of NEPA document FERC would produce, but you can't find out anything about it.

Barbara also said that by eliminating the larger hydroplant, they are also eliminating the forebay and afterbay and just want to keep the (inline) hydroplants that fall under the FERC exemption. Barbara indicated they are expecting a huge improvement in collaboration soon with BOR as the lead agency.

Barbara also reported to the board that two lawsuits that have been filed that are relevant to LPP.

1 – Lawsuit by environmental groups – American Rivers et al have filed a lawsuit on the Green River block exchange contract. They are trying to make it a LPP issue. The state has intervened, and the water district may want to intervene. Barbara said our attorneys are evaluating that now.

2 – Lawsuit by the Center for Biological Diversity et al - they filed a lawsuit regarding Glen Canyon Dam and decommissioning. Our legal team will be looking at this lawsuit as well and evaluating it.

Barbara answered various questions from the board.

Ron added that the work is going on with the state and Brian Steed as the new director of the Department of Natural Resources. He is asserting his role in natural resources in a way that will be beneficial to us.

The next item on the agenda was an operations overview by Brie Thompson.

Brie reported to the board that this year our demand from our regional pipeline is down. It is 85% of what it was last year. Last year it was dry, and we had a wet spring. St. George City also had some increased spring production. Our water treatment plant is ramping down production. They are taking one of the processes offline and the operators are working shorter shifts. The operators will start on winter maintenance projects.

Brie said that out in the field they have been doing some hydropower maintenance from when they were down. It came back online about a week ago and then they had another issue on Quail Creek plant and ordered parts. It should be up and running soon.

Also, at the water treatment plant there is going to be a fuel storage project. They are going to have a 20,000-gallon fuel storage tank. Right now, they have a 1,000-gallon tank. They will also have a fueling station to fuel the trucks.

Brie told the board they are replacing 1400 ft. of secondary irrigation pipeline in Trail Ridge. It is offline right now and they are going to replace that with ductile iron.

Ivins Reservoir –Earlier this year the toe drains on the left abutment at Ivins Reservoir were replaced and now they need to do the right abutment toe drain so the reservoir is drained now, and dam safety is reviewing the plans right now. They are planning to move forward this winter on this project.

Brie told the board they have hired some new field operators: Trevor Brown and Brad Fuller, Tyler Excel, Sean Farnsworth and Tanner Jones is now working with Dave Cox.

Corey discussed the district's proposed projects for 2020. +

Sand Hollow Regional Pipeline -- Corey said this project was just winding up. Most of the board went on the field trip and saw the project. All the pipe is in the ground and this week they will be putting water into it. They will have to have personnel on the ground as water is put in to watch it. There will be pressure testing next week. He said they have been forgiving with the contractor on allowing the project to go a little longer because Washington and St. George aren't quite ready to take the water yet. –

Corey told the board there are a lot of projects in the work for next year:

Ground water treatment plant – Corey told the board the district already has a contract with Van Con on this. Right now, they only have a job trailer on the ground. It is an 18-month construction project and it started three months ago. We will probably see 12 months of construction in 2020.

Sand Hollow wells - Two more wells will be drilled in 2020. Sand Hollow well #13 is in progress right now. They will finish that one and put a well house in 2020. There is another one due east of that about half a mile which is well #12. Also looking at well #7 towards Sand Hollow resort to determine if that is needed.

Corey said they will also be looking at the Warner Valley tank. He showed the board a 3-D rendering of what that proposed tank will look like. The tank was originally intended to be buried but they found out in geotechnical study that the rocks below the surface had bad properties so they will go just deep enough to get a good foundation and then go above the ground. It will be 26' tall and will be a

wrapped tank (shotcrete) and they will try to blend to a color that will match the surroundings.

La Verkin Hot Springs – Corey told the board they are continuing to do some work and research there. One of the Bureau of Reclamation’s research wells from back in the 1970’s is still in reasonably good shape. They have put a camera down it and can still probably go down in and do a pump test on it and get some more information from it to understand the aquifer better and how to capture water better and put into the treatment facility there. The district is working with a committee to evaluate the opportunity for a recreation project in this area.

Ashcreek Project – This is the next big project. Corey said they still have to work out a few things with the BLM, but they are getting very close to putting that out for public comment later this month for a 30-day comment period. This would include a public hearing in Toquerville. They are also working with the Army Corp of Engineers to get a separate permit and a right-of-way from the BLM. After that there would be final permitting. This project would be broken down into segments – design for foundation of reservoir, a diversion on Wet Sandy and a pipeline on Wet Sandy, Ash Creek and Leap Creek.

Work with USGS on calculating water use – The district has been talking with them about calculating water use. They now look at our water use and subtract out water depletions, all their water flows out of the wash (Nevada) and look at water flushed out of hydrants and water loss. They take out water from their water distribution to their water mains, and by the time they take all this out and compare with how we do it, they are not comparable. We are working with them to look at doing a study that would model Virgin River and capture and model our water system which would capture everything in this system – ag water, all the water coming off fields including the Santa Clara river and come all the way down from Hurricane. There is currently nothing available that does this. The district has discussed this with USGS and they have a model currently being used in California and think they could apply it to what we have here and it would capture our water system and how we are currently using our water. It would take about a three-year study to capture all this data and our water use and would be a cost share at 60% for us and 40% for them. Corey told the board this would give us a good look at our water use and tell us where we are at and give us equal footing to compare to other places.

There was some discussion of measuring water use on an equal basis among the board and staff. Ron said the four big water districts in Utah have talked about using ERU's for measuring water use.

The next item on the agenda was a discussion of the Homespun Culinary Water System by Brie Thompson – Brie explained that the Homespun Village is adjacent to the Casa de Oro system that we provide culinary water to and they have approached the district about taking over ownership of that water system. The district has been working with them and trying to help them and we are getting closer to have everything finalized. Brie said they met with the homeowners last Thursday and answered questions and gave them an overview of everything. We would be providing water out of the Cottam Well System. We would take their water offline. They have had pressure issues. A few homes have their own boosters which isn't allowed without an exemption and getting permission. Brie said they are working through a few things contractually. They would go on our retail water rate. The district will get waivers from the homeowners to protect the district. She also said they have a water right that we would move up to the Cottam well.

Introduction of new staff – Ron introduced the following new staff to the board:

Morgan Drake – attorney, Jenny Maxwell – administrative assistant on the LPP, Nicole Hunter – paralegal for Jodi, Whit Bundy – engineer working with Brie and Karen Barnum – accountant.

Karry Rathe gave a public education update – Karry told the board that the outreach tactics used include distribute, pitch, monitor and share information. She explained that a business wire account was started this year and it covers approximately 10,000 headline impressions and 49 million unique visitors. It was recently used on the article about the changes made to the Lake Powell pipeline that will significantly reduce costs. It was picked up by the Associated Press and sent as a press release to state media. It was also sent out in an eblast to 1,000 elected officials, community leaders, etc. There was a lot of interest in this, and we had a click rate of 15% and an open rate of 40% which is phenomenal.

She said the district is also doing a tremendous amount of social media

Other efforts include:

- Online and Social media ads
- Event coordination
- District Website
- LPP Website
- Fact sheets, brochures, rack cards
- Environmental group outreach
- Editorials
- Presentations
- Easy Does it Campaign – simple ways to save water
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The district is generating great statewide and national media coverage when it comes to LPP or water conservation.

The next item on the agenda was a presentation by LeAnne Hoopes regarding an impact fee issue. Ron introduced her and explained that they are building a complex that would be for senior living. He passed out copies of the plat map. He said it would include 56 units, restaurant, swimming pool, etc. They want to pay for this as a commercial development and want to put one meter for every four units and a larger meter in the recreation center. They see it as a commercial operation. LeAnne Hoopes said the development is in the Washington Fields near Stucki Farm and Staheli Farm. They have wanted to do some independent senior housing for a long time. This will be strictly independent living. It is all inclusive, the residents just pay rent, they don't buy the unit. It includes their meals, house cleaning, etc. They have a conditional use permit for this as a commercial project because the city considered it commercial. She said now the district is trying to determine whether it is commercial. She said she had an email in May telling her the impact fee would be \$9,417 per building if applying for a ¾" meter. They got their roads ready to go, budgeted for these fees and then came in here to see about the fees. Now the district is saying it is multi-family and the impact fees would be double from what they were led to believe at first. They are asking that it be considered commercial since that is what the city told them and what they planned on and what they were quoted originally.

Melanie Massey from the district was present and said the city did say it was commercial, but the district sees it as apartments where we would have a fee for every door. The difference is if \$4,761 per door if you do it with \$266,000 for 56 units but \$132,000 if you do it by meters. LeAnne said they feel like they are being penalized for what the future use could be and not what their intent is. She said

their concern and dismay is because they planned on what they were initially told in that email and now it could be twice as much.

Barbara Hjelle added that if one way on this one then the next similar one that comes up will call up this decision. How do you deal with the next one?

There was discussion among the board. Mayor Hart said he would see it as apartments. Mayor Pike said in terms of impacts, what are the arguments for and against treating it as commercial as they would like it versus doing it as apartments. Barbara Hjelle said the dividing line between one decision, and another should be based on impacts. The policies must be based on impacts. There was discussion among the board and staff and some questions were answered.

Ed Bowler reminded the board that a decision could not be made in this meeting and that he would suggest the board visit with the staff more and talk to Washington City. Ed thanked LeAnne Hoopes for coming to the meeting and presenting their concerns.

Corey brought up the abandoned homes at Anderson Junction on the district's property. He indicated there is somebody interested in purchasing that home and another home. Corey said they are just going to keep going downhill and they could just become a liability to us. They wouldn't pay us anything, they would just take them away. There really is no value to them, and they are both in bad shape, but one is a little better than the other. Corey said he thinks they just want the one house, but we could put out an RFQ on the one that is in a little better condition. Ed said abandoned homes do create a liability and we either need to get rid of them or fix them up and rent them out. The board discussed it and suggested putting out a request.

The next item on the agenda was a review of the 2020 proposed preliminary budget by the General Manager, Ron Thompson. -- Ron told the board this is a rough draft preliminary budget, but we are required by law to have this approved a certain number of days before it is finally approved in the December meeting. Ron explained that they had assumed the inflation rate and growth rate in the proposed budget and a truth in taxation hearing. Last year the tax rate was raised to .00069 but ended up being .00059. The increase proposed would raise \$750,000 and be an

increase of about \$7 a year on the average size home in Washington County. This is built into this budget.

Ron showed the board how the budget sheet was set up and how much has been expended in each budget year to date and also reviewed what the proposed budget is for each fund for 2020. A copy is attached to these minutes and incorporated herein.

There was a break before the **6:00 PM board meeting session.**

The first item on the agenda of was consideration and approval of the proposed Preliminary 2020 Budget.

Mayor Ken Neilson moved to approve the preliminary budget of 2020 as presented and discussed in the prior work meeting. Mayor Jon Pike seconded the motion and all voted aye

Ron presented the **Statement of Intention to Levy a Tax Rate that Exceeds the District's Certified Tax Rate.** Ron explained that last year a .00069 rate increase was approved. That was dropped to .00059. This would take it to .00064 and raise another \$750,000. It is a 7.09% increase.

After discussion among the board, the following motion was made:

Mayor Chris Hart moved to approve the Statement of Intention to Levy a Tax Rate that Exceeds the District's Certified Rate. Kevin Tervort seconded the motion and all voted aye.

Ron Thompson gave his Manager's Report as follows: –

Ron talked about the water year and how dry it has turned and how many days we have been without rain. There has been some precipitation up high, but it hasn't gotten down where we really need it. He told the board on the good side Kolob Reservoir is still full, Gunlock is much higher than last year, Sand Hollow Reservoir is at about 89% and Quail Creek Reservoir has dropped down, but they have started putting water back into it now.

Ron also reported that the Quail Creek Hydroplant is down. Hopefully the repair will be done and will be back online very soon, possibly tomorrow.

Ron said they will be taking Kolob Reservoir down in Mid-November to about 1500 a.f. and storing that water in Quail Creek or Sand Hollow. Ron said it is hard

to know what this water year is going to look like but luckily, we are sitting on a lot of carry over storage.

Ron explained that the district is required by EPA to go through another **vulnerability assessment**. We did a big one after 9/11 but now we need to do another with all our facilities, and we have until March to get it done. It involves looking at the age of facilities and then ranking them against each other and then determining which projects are most important and where our vulnerability is. We need to make sure we are in a position to identify potential weaknesses. Ron said they will share it with the board when it is finished.

We are also working on a **long-term master plan for the regional system**. We have hired Bowen Collins Engineering for that. They will evaluate and document the level of service and the cost per residential unit. Ron said he doesn't think that will change much.

Ron reminded the board members to get their **board training** done. We will send out a link if they want to do it online. Last year a couple board members didn't complete it and it got noted in our audit. There will also be a Special Service District training here at our offices. Corey will send out the date for that if any board members want to get their training done at that training session

There was a discussion of **changing the start time of the upcoming November 13 meeting to 6:30 p.m.** instead of the usual 6 p.m. All the board agreed, after which the following motion was made:

Ken Neilson made a motion to change the start time of the November 13, 2019, Board of Trustees meeting from 6:00 pm to 6:30 pm. Howard Bracken seconded the motion. All voted aye.

The approval of the July 10, 2019 board of trustees meeting minutes was next on the agenda.

A motion was made by Chris Hart to approve the July 10, 2019, board of trustees meeting minutes as presented. The motion was seconded by Chris Hart. All voted aye.

There was no further business to come before the board, and upon motion the **meeting was adjourned.**

Secretary