



## **BOARD OF TRUSTEES MEETING MINUTES**

June 2, 2021

Minutes of a public meeting of the board of trustees of the Washington County Water Conservancy District, held on Wednesday, June 2, 2021, at 533 East Waterworks Drive, St. George, Utah beginning at 6:00 pm. Board members present for the meeting were: Chair Ed Bowler, Jon Pike, Chris Hart, Victor Iverson, Kevin Tervort and Adam Bowler. Ken Neilson was not present. Also present was General Manager Zach Renstrom, Attorney Jodi Richins and Secretary, Roberta McMullin.

Ed Bowler conducted the meeting and welcomed those present.

Ed announced that although we thought the notice of the meeting had been published on the Public Notice Website yesterday, it was discovered this morning that through an unintentional error, it had not been posted. This was remedied as soon as it was discovered, but the result was that it was not published on the Website 24 hours in advance of the meeting. The public hearings on this meeting's agenda have been published as required by their governing statutes. He said he will go ahead and open each public hearing so that any members of the public present can provide comments. Out of an abundance of caution, at the end of the public hearings and related presentations, he will entertain a motion to continue the public hearings until later this week so a notice of special meeting can be published on the Public Notice Website with 24 hours advance notice. At that meeting further public comment and discussion will be permitted. He said we will also have discussion on the other items on the agenda but will not entertain action on those items until the special meeting is held.

**Kolob Water Service Area** – Chair Ed Bowler opened the public hearing on the Kolob Water Service Area. Ed said notice was published in the Spectrum Newspaper once a week for two weeks as required. He explained that the levy would be the same as last year and there will be no increase. This appears on the users' property taxes and will continue the same as last year. There was no public

comment from those present. Ed said this public hearing will be continued to the special meeting on Friday, June 4, for any additional public comment.

**Public hearing on a rate increase for wholesale water.** Chair Ed Bowler opened the public hearing on the wholesale water rate increase and had Zach introduce it. Zach explained that this is a .10 cents per 1,000 increase that has been done annually for the last several years. Ed called for questions or comments from those present and there was no public comment. He said this public hearing will also be continued to the special meeting on Friday, June 4, for any additional public comment.

**Public hearing on a rate increase for secondary water.** Chair Ed Bowler opened the public hearing on the secondary water rate increase and had Zach introduce it. Zach explained that this increase is not for secondary water for canal companies or Toquerville Secondary Water System. It is for secondary water the district supplies on a wholesale basis to entities including the cities, and it is a .10 cents per 1,000 gallons increase on secondary water to contract customers of the district. Ed called for public comment and there being none, this public hearing will also be continued to Friday for additional comments.

The next item on the agenda was **consideration of approval of an Interlocal Cooperation Agreement with Washington County and U.S. Fish and Wildlife Service (USFWS) for Employee Cost Sharing.** Zach told the board this is an agreement with USFWS and Washington County. The USFWS has contacted the district and the county and with everything going on around the county with the Virgin River Program (VRP) and the Habitat Conservation Plan (HCP) the USFWS would like to have an employee located in Washington County that we can get answers from more quickly and who can work on issues here. Washington County has taken the lead on this. The county will contribute \$15,000 a year for this individual's salary and the district's share would be \$5,000. We would pay the county \$5,000 and then they would pay the USFWS \$20,000. Victor expressed his support of this and said it is important to Washington County to have this relationship with USFWS and the VRP.

Ed reminded the board they will vote on approving this agreement at the special board meeting on Friday morning.

**Consideration of a Resolution Determining that an Increase in the Water Development Surcharge is Necessary to Raise Revenues for Capital Facilities.**

The Board has discussed and worked on this for several months and agreed that a

water surcharge on high or excessive water use is necessary to raise revenue for capital facilities. These high-end water users put a lot of stress on the system that they have not necessarily paid for.

A PowerPoint was shown which included the approach of identifying the threshold for this surcharge. Bowen Collins has been analyzing data and presenting it to the board over the last months. Zach reviewed a table showing how this would work. He said they have met with the cities multiple times and the cities would prefer a cap if the board approves this surcharge. Zach showed an example of a high-end water user with a 3/4" meter and showed how in January they would pay a typical water rate through April but in May when they use over 36,000 gallons of water the surcharge would go into effect. It would go the highest in July and then come back down a little in August and September. This would not apply to a typical residential water user, so the vast majority of water users wouldn't be affected. Approximately 40% of the current water system capacity is utilized by the top 20% of water users which hinders water conservation and increases the demand and wear on the district's capital facilities.

The cities did not want to do a tiered rate. The proposal is to set it at 36,000 gallons for a 3/4" meter and when it goes over the 36,000 gallons there would be a \$1.00 per 1,000 gallons surcharge and this could raise about 1.7 million dollars in revenue. This money would be put into the capital projects and that would free up some of this money to use for conservation.

The customer's water bill would have a line item along the lines of: "Washington Co. Water Conservancy District excess water use surcharge". Help with conservation ideas and incentives would be offered to these high-end water users.

Cities have also requested that because there are administrative fees with this program, they would like to take about 5% of the revenue to help offset their administrative costs and so a provision for administrative costs is included in the resolution.

Zach said the billing rates from cities are a little different, but this surcharge will be the same and treated equally and only applies to customers connected to district lines.

Comments were taken from the audience members as follows:

Tom Butine said he supports this step. Getting people to pay attention to their water use is important and he said he believes this sends a timely and good signal

to people about adjusting their water use behavior for the future. He asked about collaborating on education on this and if they could help educate the community.

Howard Seare commented that the City of Austin Texas in 2011 was facing a similar issue and made a dramatic increase in their water charge. In three years, they dropped their water usage by 20%. He stated that we have lower rates than several other cities in the southwest and higher water usage. He believes charging for excessive use will make a difference and we need to get the word out to people.

Jon Pike said he believes that the board will be voting to increase wholesale and secondary water rates by .10 cents per 1,000 gallons to the cities and so the costs are going up for them and so the rate to the customers should also go up. We must also keep in mind our citizens and their income levels and find the right balance.

Mari from the Southern Utah Homebuilders Association said they also agree with this surcharge and support anything that encourages and increases water conservation. They like that we have the choice here not to rip out our landscapes. The key is everyone doing their part. We have some of the lowest water rates in this area and the development community has tried to set an example with reduced landscaping at the home show. She said they would support and suggest a warning system be put in place if the surcharge is approved.

Zach added that the cities are authorized to have a leak rate. The district has met with several institutions that are high end water users and they were agreeable to this surcharge proposal. For residential users, they could send out letters to the 100 highest water users or top 25% of users regarding this. Members of the board thought getting this information out as much as possible would be good.

Chris Hart asked if someone used 1,000,000 gallons of water in a time of drought, do they really have the right to do this, even if they pay for it? At some point in time somebody has to say, "enough is enough", there is not enough water in our system to tolerate this.

Jodi asked to make a technical clarification: the intent of this resolution would be to determine under the Regional Water Supply Agreement that an increase in the water development surcharge is necessary. Notice of this would then be sent to the cities and they would have an opportunity to comment before the Board determined to increase the surcharge.

**Discussion of recommended drought response action** – Zach said the district staff has been working with the cities on conservation issues and what citizens can do in

a drought scenario. Staff developed the Voluntary Drought Actions list which the Board has in their handouts. These are things that citizens can do that would have beneficial effects. Many of these items have been suggested before. There are also suggestions for municipalities on this list. They are voluntary actions. Zach indicated they hope to come out this fall with more suggested conservation recommendations for the cities. Karry Rathje added that the district is trying to help the cities and continues to encourage the cities to follow the district's social media for ideas and to use those posts.

Chris Hart said he would like to see the use of hot water circulation added to this list as he has discussed before. Mari from Southern Utah Homebuilders Association (SUHBA) said she will research and let the district know how many developers in SUBHA are using the hot water circulation.

**Status reports on projects:**

**Lake Powell Pipeline (LPP)** – Zach said the district is still working with other basin states on LPP. They have mostly focused on the upper basin states but now they are bringing in the lower basin states too. They have had some good discussions. The EIS IS still being worked on.

**Sand Hollow Groundwater Treatment Plant** – This project is done except for a few punch list items. The system is online, and St. George and Washington City are utilizing it extensively. It gives them good high-quality water and good pressure.

**Warner Valley water tank** – The tank should be done by fall. It is a 3,000,000 gallon tank and will equalize pressurize and supply a safe reliable water source in Washington Fields by the airport area.

**Ashcreek** – The project has been published in the Federal Registry and comments received. There were not any substantive comments. It is moving forward, and the BLM will issue permits very soon, possibly by the end of the month.

**Manager's Report** –

**Surplus property** - Zach said the district owns a lot of land for various reasons. We own a couple of parcels that we have no need for. There are two specific parcels that the district has ended up with in the Sand Hollow area. They were part of the purchase of other land. They are platted as residential lots. One is on the corner of 2470 Circle and Wilson Drive and another down the street on 3560 West.

We have no pipeline there and so he recommends getting these parcels back on the tax rolls. He recommended getting the two parcels appraised and then sending out an RFP and taking the highest proposal. He told the board he would like to use an escrow agent in this process. If we do not get any proposals, then we can work with a realtor. He will bring any proposals back to the board.

**Kolob Reservoir Camping** – This last week was the first test of some of the new changes implemented. It went well and the camp hosts have done a great job. The sheriff's office has been helping with compliance as far as campfires and people with no reservations. He said they have received some feedback from people making camping reservations online and they said it went very well. People outside the county pay \$50 and Washington County residents and active military personnel get 50% off. The county also passed an ordinance allowing only 10 horsepower on the lake.

**PFAS testing** – Zach told the board in the water industry PFAS is a growing issue. They call these “forever” chemicals. They are used in fire retardant, waterproofing, Teflon and cooking utensils and they are located everywhere. He said they thought it was a stable molecule and that when it got ingested it would go through a person's system and would not do anything. They have found now that it can cause problems. People with high exposure are more inclined to kidney cancer and other ailments. The EPA, through the State of Utah, will likely require more intensive testing for these chemicals in the future. The problem with this chemical is that it is everywhere, and they are continuing to put it into clothing and other things today. It can get in a water system through chemical process, landfills, etc. However, our water supply and our watershed are pristine and unlikely to be affected by the chemical. Our water treatment plant uses activated carbon powder so our system would likely remove the chemical even if present. Zach said he just wanted to warn the board about this and that it could develop into a larger issue.

**Fire on district property** – Zach reported to the board there had been a fire on some district property near Washington Dam Road. Steve Meisner said that this area has a small spring of water but does not flow year-round. They have Fly Catcher breeding in this area as well. Although an investigation is pending, it is thought that the fire was likely started by an illegal camper on neighboring UDOT property. This is critical habitat area. Steve said this district property has been locked, gated, and posted in this area.

**Update on current water year by General Manager** – Zach gave a quick update on water conditions showing the Virgin River gage in Virgin and reporting on the reservoir levels as follows: Sand Hollow Reservoir 80%; Quail Creek Reservoir 75% (no longer putting water in these two reservoirs, drawing out water now). Kolob Reservoir is quite low. They brought water down to Quail Creek and Sand Hollow from Kolob. Gunlock is at 55% and so those users will only get about 30% of their allocation this year.

Ed reminded board members of the special board meeting Friday at 8 am. The May 2021 minutes will be approved at that time.

Ed thanked audience members for coming and the meeting was adjourned upon motion.

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