



BOARD OF TRUSTEES MEETING MINUTES
July 7, 2021

Minutes of a public meeting of the board of trustees of the Washington County Water Conservancy District, held on Wednesday, July 7, 2021, at 533 East Waterworks Drive, St. George, Utah beginning at 6 pm. Those board members present for the meeting were: Chair Ed Bowler, Kevin Tervort, Chris Hart, and Victor Iverson and Jon Pike. Adam Bowler was not present. Also present were General Manager Zach Renstrom, Associate General Manager Brie Thompson, Jodi Richins, WCWCD legal counsel, and Roberta McMullin, secretary. The other guests at this meeting are shown on the attached Attendee List.

Ed Bowler conducted the meeting and welcomed those present.

A Public Hearing regarding proposed increase in water development surcharge under Revised Regional Water Supply Agreement was the first item on the agenda. Ed opened the public hearing and asked the general manager, Zach Renstrom to give a presentation on the proposed surcharge.

Zach said the district has been talking about this for the last couple of years and the board has been discussing this over the last several months. The engineers analyzed 20,000 meters and collected data. Commercial use (non-residential) was also looked at and analyzed. They noticed very quickly that 20% of our users are using 40% of our capacity. Zach said the district is looking at how we can help educate these users and help them start conserving water because this excess water use puts a strain on our water system, especially during the peak summer months.

Graphs were shown of 95th percentile water users and where the proposed surcharge would be applied. The water use surcharge for excessive use would be \$1.00 per 1,000 gallons over 36,000 gallons. Zach said the district reached out to the cities about implementing this and they are able to do this with the software they are using. The majority of their customers are paying their water bill by credit card and so the cities are asking for a 5% administration fee to help pay credit card fees in collecting this. The money raised would be used to help towards

conservation measures and education. The goal is to help these users get below the threshold.

The meeting was then opened to public comment. Ed asked each to introduce themselves. A very brief summary of each person's main points are as follows:

Stacey Carson (Hurricane)- Doesn't believe a three-year-old study would still be accurate with the growth we have had and millions of visitors. Thinks this is a money grab. Needs to see more data because there must be another solution.

Chair Ed Bowler explained to the public present that if they feel like there is too much growth, that is not up to the water district. They need to elect a mayor and/or city council that want to limit growth. Our charge is to develop water, not to determine growth.

Harmony Vandehorst (Hurricane) Built a house five years ago and paid the district impact fee. The impact fees go up every year. The impact fees are too much. Would like more information on what the district is doing with the impact fee revenue. Maybe we should think about a growth cap like Boulder City did.

Dana McCabe – Moved from California one year ago. Would like more accountability on what all the impact fee money is used for.

General Manager Zach Renstrom said the district is required to report to Utah on the use of impact fees. The district just finished two projects -- the Sand Hollow water treatment plant and a 3,000,000-gallon tank in Warner Valley. The district also just got approved for a new reservoir in Toquerville. These water projects are very expensive and impact fees are used to build these. The district's general practice is that new homes (growth) have to pay for new projects.

Ron Woodbury (St. George) – Recommends starting with a tiered financial incentive to reduce water use. For instance, if he can reduce his water usage by 30% then he could get a 15 % reduction in his water bill. His fear of penalty for overuse is it may never go away so he recommends financial incentive instead.

Board member Chris Hart added that most cities already have a tiered water rate structure with a base rate for the average user and then as use compounds the rate per 1,000 gallons goes up. He also added that new homes and developers are using drought resistant landscape more and more.

Shane Rappdeye– Has lived here for 6 years and would also like to know the difference in water usage for a family of eight compared to a two-person family.

Zach Renstrom explained the history of the Regional Water Supply Agreement and how it works.

Lee Taylor (St. George) – District shouldn't target certain people. This won't change water use as most people can afford to pay this surcharge. Need to find ways to incentivize people instead.

Erica Hodges -They have seven children, large family. In the summer months they go up to 46,000 gallons or more. They are against this charge. Should be based on number of people in home. They are paying more because they have large family. They will pay \$60 to \$100 more per year with the surcharge.

Mark Hodges – They have been here since early 80's. He runs his own landscaping business. Agrees with tiered water system. When government sets a new fee, it never goes away but just increases. Why are they giving out more building permits if we don't have enough water, electricity, etc. Growth is the issue.

Chair Ed Bowler said they appreciate everything that has been said. He told those present are welcome to come to the regular public monthly board meetings. He reminded the public present that the water district's mandate is to plan water for the future and build for peak demand.

Chris Hart asked those who made comments if they would write their ideas down and email them to him and he will review them.

Zach told the audience that the district gets calls from the public asking questions and we have engineers that can answer questions about our system. We can answer questions about our budget and what projects we are working on. They can also check our website where there is a lot of information.

Ed Bowler thanked those that came to the meeting and those that made comments. He said he doesn't want to shut down anyone and asked if there are any new comments that haven't been presented. There were no further comments.

Ed asked the board what they wanted to do as far as the resolution regarding the excessive water use surcharge. Chris Hart said he thinks some of the ideas tonight should be discussed further by the board and so he doesn't think the board should vote on the resolution tonight

Ed agreed the board needs to gather ideas and bring them to another meeting for further discussion on this surcharge resolution. Victor suggested maybe taking a

look at the 36,000-gallon threshold and discussing that. Chris said maybe there could be an appeals process for larger families or two families in one home. Zach said he will reach out to the cities and ask them if they can adjust for larger families and how hard that would be for them to administer.

The resolution on the increase in the water development surcharge for excess water use will be tabled until the next board meeting.

Next on the agenda was **consideration of award of Sand Hollow State Park Replacement Line Contract.** Brie told the board that the culinary water line that goes around Sand Hollow Reservoir and goes by the base of the dam which provides water to the park has had numerous pipe failures. It is HDPE pipe in chlorinated water, and they have found more and more issues with that at around the 15-year mark. A replacement pipe has been engineered and Interstate Rock Products had the lowest bid of \$736,570.05. Zach told the board the funds for this project will have to be moved in the budget.

Victor Iverson moved to accept the bid proposal from Interstate Rock Products as low bidder at \$736,570.05. The motion was seconded by Kevin Tervort, and all voted aye.

Item No. 3 on the agenda was **consideration of a request to waive impact fee for park to be owned and maintained by Washington City** – Zach explained this is a large development by Washington Dam Road. Washington City has entered into an agreement with the developer to develop all that area. The developer is responsible to build a park and the developer is paying for landscaping, park, etc. He said on a city building the district traditionally waives fees, but the district hasn't done this for a park before. This is a big park and the developer had to put the park in for public use to get their development approved. Mayor Pike said St. George City has done this before, developers building a park and then turning it over to the city. Zach said they would usually use secondary water systems for a park like this, but secondary water is not available and so they have to use culinary water until secondary water is available.

There was discussion among the board. Chair Ed Bowler said he would like some more time to think about this and asked the board if they could table it and talk more about it.

Chris Hart suggested if it were allowed there should be an agreement that they convert to secondary water at the earliest possible time.

Jon Pike moved to table this to the next meeting. Chris Hart asked for discussion and suggested that wherever this ends up, even if there is a partial fee, they should be required to look into how this can be done in the most water wise method. Chris Hart then seconded the motion, and all voted aye.

Item # 4 was consideration of approval of notice of award for Sand Hollow Wells 11, 13, and 15 and Pump Station Project. Brie Thompson said these are new wells that have been drilled around Sand Hollow Reservoir and this is for the costs for the pump stations for wells 11, 13 and 15. The bid is for the total costs for all three pump buildings and does not include the cost of drilling and equipping the wells. The low bid was Interstate Rock Products, and the total bid is \$821,687.30. Ed called for questions.

Chris Hart made a motion to award the bid for the three pump stations in the amount of \$821,687.30 to Interstate Rock Products. Ken Neilson seconded the motion, and all voted aye.

Consideration of approval of notice of award for La Verkin Hot Springs Pump Test Project – Zach told the board that around La Verkin Hot Springs they have been working to determine the best way to handle water there. Various pump tests need to be performed within an existing well at the springs to determine the yield and the zone of protection. This will give them a better understanding of yield and production. Only one bid was submitted in response to the District’s Invitation for Bids which was Gardner Brothers Drilling at \$148,500. Zach said if we can better understand the hydrology of Pah Tempe the district will be able to deal with the springs better in the future.

Victor Iverson made a motion to accept the bid from Gardner Brothers Drilling for \$148,500. The motion was seconded by Chris Hart, and all voted aye.

Consideration of approval of Drought Contingency Plan by Maddaus Water – Management (MWM) – Zach explained that the district received a grant from the BOR of over \$100,000 to do drought planning. Maddaus Water Management specializes in this. They will develop a drought plan and draft a model ordinance in response to the current extreme drought conditions. The plan will included one-on-one interviews with nine cities to develop a practical and comprehensive response strategy and planning documents. A non-standard procurement was used as it was not practicable or advantageous for the district to procure the service

through a standard procurement process because this project is time sensitive with the area currently in a severe drought. Zach said we want this plan in place before next summer. The estimated price is \$167,940 and with our grant money we would only be paying about \$40,000 of that. They will start work immediately on this project. MWM is an industry leader in drought planning, and they have recently worked on the district's conservation plan and have extensive knowledge of the district's system and programs

Chris Hart moved to approve awarding the contract for the drought contingency plan to Maddaus Water Management. It was seconded by Kevin Tervort. All voted aye.

Resolution Updating Personnel Policy & Procedures Regarding Assistance Program Policies – Jodi Richins asked that if the board approved this resolution that there be a strike through of the words “payment for” on Line 5 of the first paragraph and again on Line 4 of the second paragraph.

Jodi explained the district has already had a tuition reimbursement program in place. Language has been added that requires a B- or better grade upon completion. Jodi said that Zach also wanted to have a provision that if the person left district in a short time, they would have to reimburse the education funds. This would be in the general manager's discretion. We would have a form agreement with each employee that would be signed that would include this.

There was some discussion among the board of specifying the employee repayment structure. Chris Hart thought it would be better to specify the structure so employees would know rather than leave it discretionary. Jodi said her objective when writing policy is to leave some discretion to the general manager depending on the circumstances.

Jodi gave an overview of the policy and reviewed which changes were substantive from original policy. Jodi added new language based on discussion from the Board that clarified that the general manager “shall” require a repayment plan in “writing” but leaving the repayment details to be spelled out in an agreement with the employee rather than in the policy

Jon Pike moved to approve the policy with the new language that has repayment structure spelled out in agreement with employee rather than in policy. The motion was seconded by Kevin Tervort and a roll call vote was taken.

<i>Ed Bowler</i>	<i>Yes</i>
<i>Kevin Tervort</i>	<i>Yes</i>
<i>Adam Bowler</i>	<i>Absent</i>
<i>Jon Pike</i>	<i>Yes</i>
<i>Victor Iverson</i>	<i>Yes</i>
<i>Chris Hart</i>	<i>Yes</i>
<i>Ken Neilson</i>	<i>Yes</i>

The next item on the agenda was– *consideration of approval of purchase card with \$1,000 limit for employee Pennie Hancock.*

Victor Iverson moved to approve a purchase with \$1,000 limit for Pennie Hancock. Ken Neilson seconded the motion, and all voted aye.

Senior Accountant, Karen Barnum, gave a *presentation on the Fraud Risk Assessment.* She told the board the district is required to present this annually to the board. She covered the background and explained the basics of the fraud risk assessment including separation of duties, policies adopted, and points earned. The only two things we haven't gotten points for yet are we don't have a hotline, but we will be piggy backing and using the county's hotline soon and secondly, we don't have a CPA in the office. Karen said in the future she will make this presentation at the end of the year in December.

Discussion regarding development of secondary water and sewer reuse water.

Zach said he asked Brent Gardner, Alpha Engineering, to come and discuss the storage of re-use water during periods on non-use. Brent indicated that the 24" water re-use pipeline that was constructed as part of the Shivwits settlement agreement has a capacity to deliver approximately 11,000 af of water on a year-round basis but without storage only delivers 5,500 af of water. The Shivwits are entitled to 2,000 af of the water.

Brent said they have looked at different storage sites such as Graveyard Wash Reservoir site and the Dry Wash Reservoir site. He said in 2004 there was an environmental assessment as part of the Indian settlement agreement and both sites were considered as preferred sites to store water in the wintertime. Zach asked him to look at possible storage in Gunlock reservoir. Brent said he was concerned with the wells below the reservoir but in talking to geologist Vic Heilweil and Tom Marston of the USGS he didn't feel like this would be an issue.

He said he has looked at pumping water from the reuse system from the Ivins Reservoir to the Gunlock Reservoir. The current capacity of the Gunlock Reservoir is between 7000 to 7700 af. The original storage capacity was approximately 10,800 af but have lost approximately 104 af per year since its construction in 1971. Brent found about 19 years of reservoir elevation records from 1991 to 2010 on a data base from the Division of Water Rights. On average the reservoir reaches its peak elevation in April at elevation 3577 or about 3,960 af of capacity. On average there is about 3,000 af of storage available to fill Gunlock Reservoir.

Using City of St. George power rates the approximate cost to pump from the Ivins Reservoir to Gunlock reservoir annually is \$89,000. If we present value this cost along with capital cost of a pump station and additional piping required, the present value is approximately \$4.9 million. The cost for the Dry Wash Reservoir has been estimated at approximately \$8 million. The Gunlock storage is a very viable option, but the Dry Wash Reservoir site should still be reserved as it will be needed in the future as the Gunlock Reservoir capacity is reduced by sediment.

Chris Hart said this is important to Ivins City and suggested that Zach, Ed, himself, and Brent need to sit down and talk about these options.

Zach suggested having a meeting set up with Ivins, Santa Clara, and St. George to discuss secondary water and sewer reuse water.

Discussion regarding forming cities' advisory conservation committee. Zach said the city councils are having a hard time learning everything about water conservation and they want to learn more. He asked the board if they want the district to be a facilitator of some educational opportunities for the cities. Zach said he wanted the boards input, but we can have more discussion on this at a later time.

There was discussion among the board. Mayor Neilson and Mayor Hart said there needs to be collaboration on some issues. They depend on the water district for information. Ed said the cities are all different and the mayors need to decide what they want to do. The elected officials should set those policies. Mayor Hart said he feels the district needs to be the leader in facilitating these discussions

The mayors could each appointment one council member and one staff member to represent their cities, along with the mayor if the mayor wants to be involved. Zach said the district, for an example, could set a tour at a car wash to see the

water recycling used. The district could be the facilitator of this type of thing and then the cities can take it back to their city councils.

Zach will send letters to the mayors asking them to bring one staff, one city council member, and invite mayors if they would like to come to these water conservation discussions.

Consideration of approval of board meeting minutes for June was next on the agenda. The minutes of the June 2, 2021 regularly scheduled board meeting and the June 4, 2021 special meeting were reviewed by the board and the following motion was made.

Ken Neilson moved to approve the minutes of the board of trustees' meetings of June 2, 2021 and June 4, 2021. Jon Pike seconded the motion. All voted aye.

The meeting was adjourned upon motion.

Secretary