



Board Public Hearing & Meeting Minutes

CALL TO ORDER 6:31 PM (5:31)

Pledge and Prayer

DECLARATION OF ABSTENTIONS AND/OR CONFLICTS OF INTEREST BY BOARD MEMBERS: None at 6:35 (7:40)

CONSIDER APPROVAL OF MINUTES FROM THE BOARD MEETING HELD DECEMBER 17, 2015: Board Member Cozzens motioned to approve the Board Meeting Minutes as written, second by Board Member Bonzo at 6:37 PM (8:30)
Motion Unanimous at 6:37 PM

FINANCIAL REPORT:

CONSIDER APPROVAL OF ADJUSTMENTS AND PAYMENT OF BILLS FROM DECEMBER 12, 2015 THROUGH FEBRUARY 12, 2016.

▪Monroe-We have installed new booster pumps. One pump at the Mine and two boosters were installed at Eagle Valley. The boosters are rated at 500, and the capacity for these meters are 300 psi or 60 gallons per minute, which is more than we hoped for. ▪Feltner-over the last two years we have had thieves steal our solar panels off of the Three Peaks tank twice. We've now moved our repeater station from this tank. We've discussed trail cams and a few other options. 6:39 PM (15:27) ▪Monroe-We pulled District #1 well. Bert Pressett said that this well is a total loss, and recommends that we seal it off and try to do another well nearby. ▪Bonzo-How long has that been in the ground? ▪Monroe-I think it was put in around 2008. ▪Feltner-When we were cameraed this well there were actually holes clear through the casing. (18:24) ▪Hunter-I know we've talked about doing another well nearby, but I don't know that we should do a well in this area. *Discussion last for several minutes on District #1. Mike Coronado arrived at the meeting at 6:42PM* ▪Watson-How close could we drill another well? ▪Monroe-I believe it was at 588 feet that you could see directional flow and movement of particles at the bottom of the well. A couple of Bert's concerns were, how do you seal it off with directional flow? How do you avoid contamination of other wells? 6:44 PM (20:04) ▪Hunter-we've talked about other possible well sites. Kelly why wouldn't we be better off doing a well out by the main line in Iron Springs? There is a well right in the ground out by the railroad tracks in Iron Springs, I'm not positive who they belong to. There is a nice big well right there and I think we should find out who it belongs to and get some history on it. I think it would be a better place for a well. ▪Monroe-We need to think about the amount of infrastructure we have in place at District #1. It would be nice to be able to keep that in place and utilize it. One way or another we have to drill another well. ▪Crane-we own 20 acres in that area. I believe we could get far enough away to avoid the current well site, and still utilize our infrastructure and building in this area. (23:49) ▪Jones-So maybe we should go out to the edge of those 20 acres and do a little bit of study and see if that would be our best option. *Discussion on the well site at District #1 continues for several minutes.*
▪Watson-Is there anything else on the transactions that we need to be aware of? (27:20)
▪Monroe-Yes, I just wanted to cover some of the operations that are coincide with these expenses, then we won't have to cover them later. (27:27) I would also like to go over the connection made at Cross Hollows Subdivision. *Paul showed the Board several pictures from*



the Cross Hollows project. Tracy will you bring the board up to date with any other projects that we've done in the last two months. 6:52pm. ■Feltner-What we have happening in Eagle Valley, we now have to booster pumps and our well is fantastic. It pumps 170 GPM, it has been constant and perfect for the lower portion of our system. So with the booster pumps, in the summer time, if we get the right pumps in to go along with the 15 hp motors we already have in there, it should actually pump 200 GPM. If we get the VFD's set so that they are running 54 or 55 hertz and they are both pumping at 170 GPM we should be able to take care of our whole lower section. Without having to use Derby #1 and #2. This will save a great deal of money for electrical costs, until later in the summer when the demand gets to be too much. (31:49) ■Monroe-does anyone have any other questions on any of the expenses? I believe we've covered the major or unordinary expenses. Also if you look for a moment at the adjustment register. Mandi has highlighted each of those and identified that they are either paperless billing credits, one-time leak relief credits, or hydrant use construction deposit refunds. (32:45)
Board Member Watson motioned to approve the payment of bills and adjustments; Second by Board Member Black.
Motion unanimous at 6:56 PM (33:05)

REVIEW 2016 FINANCIAL: ■Monroe-Just for review where it is early in the year, the money that we have planned to spend will be explained as we go through the next few agenda items tonight. (34:10)

PUBLIC HEARING TO DISCUSS SUBMITTING AN APPLICATION TO THE PERMANENT COMMUNITY IMPACT BOARD FOR GRANT AND/OR LOAN FUNDING FOR EXPLORATION FOR WELLS.

Board Member Jones motioned to move to Public Hearing; Second by Board Member Bonzo
Unanimous at 6:59 PM (34:50)

Roll call is as follows:

Tim Watson-Aye

Paul Cozzens-Aye

Michael Coronado-Aye

John Black-Aye

Rick Bonzo-Aye

Spencer Jones-Aye

Brent Hunter-Aye

Brent Hunter opened the Public Hearing and asked that Kelly Crane explain the purpose for the Public Hearing.

■Crane-Yes, the Community Impact Board (CIB) is a funding agency that helps out different communities, Districts, and cities within the state. They receive their money through mineral lease fund, that come from oil and gas exploration as well as coal production. Since we don't produce any of those minerals in our valley, it is a little bit rare for us to go to them for any significant amount of money. However, they have been a wonderful resource for planning. We are asking for a \$200,000.00 matching funds grant, to go toward the initial exploration of the Pine Valley for discovering whether or not the sites we've identified will contain the water that



we want. Again we are asking for a matching funds grant, there is possibility that it could be a zero percent or low interest loan. I would like to open it up for discussion on

▪Black-The application is due Feb. 1, 2016? ▪Crane-yes it has been submitted. We won't be attending their meeting until May so they will gladly take our minutes from this meeting once they've been approved. ▪Hunter-If they deny us, what do we do then?

▪Crane-There is opportunities through DDW and other State agencies, however, I am not worried about a denial. With this type of grant I have only seen a denial once. ▪Hunter-well this project is critical to the future of our area. We have to do all of the data gathering we can. Is this for just one well? ▪Crane-No, this will be for eighteen test or provisional wells. They will also be used for monitoring.

▪Monroe-7:03 PM. We will start at the south end of the valley and work our way north. There is a chance we won't have to go through all eighteen wells, if the first seven or eight prove to be high yielding wells then we can stop on the south end of the valley. We do know that the water resource is there and it is a high yield at the North end at the bottom of the valley. We are starting at the South end of the valley to preserve pipe costs when the project goes in.

▪Jeff Winkle (Citizen)-What is the purpose of these wells? What is the outcome going to be? ▪Hunter-The District has been approved for 6,000 ac/ft out in the West Desert. So the purpose out there is to ascertain whether the water is there and how to get it here for use in Cedar City. (42:20)

▪Crane-Just to clarify this isn't for the south end of our valley this is about 50 miles west of us in the West Desert, which is made up of the Pine Valley and the Wah Wah Valley.

▪Hunter called for any further questions at 7:07PM (44:00)

Board Member Watson motioned to adjourn from Public Hearing; Second by Board Member Jones

Motion Unanimous at 7:08 pm

Board Member Black motioned to approve the application submission to the CIB; Second by Board Member Bonzo

Motion Unanimous 7:08PM (44:28)

▪Monroe-I would like the public to be aware that we are out for public comment with the BLM this will be wrapped up in a couple of weeks so if you have input you will want to visit the BLM website. 7:09PM (45:56) ▪Crane-Also this CIB meeting is in May and it would be really nice to have Board members in attendance. They normally hold this meeting in Salt Lake.

**CONSIDER APPROVAL OF ENGAGEMENT FOR AN ENVIRONMENTAL ADVISOR:
A CONTRACT BETWEEN TRANSCON ENVIRONMENTAL AND CICWCD.**

▪Monroe introduced Tim Green who is with Transcon Environmental, who've been helping us along the way. The scope of work has been included in your packet. I would like to turn the time over to him to discuss the work that they will be providing the District. ▪Tim Green-I am the Transcon Environmental office manager of the local Cedar City office. We work a lot with the BLM and have completed a lot of big projects for this area. I have been working with Paul and Kelly for just about a year now (48:30), and Paul has asked us, at this point, to put together a scope of work and cost estimate for the District. ▪Hunter-What do you foresee as the biggest hurdle? ▪Green-I think you guys have got off on a great foot, with your early work with the BLM. Culturally, you are good, I don't see anything big. Biology wise, there is Sage Grouse out



there which wasn't listed this last time. Other than the large size of the project, the BLM has already stated that they believe it will be at the EIS level. Other than that I don't see other hurdles. ■Jones-I just want to comment that I have looked into Transcon and I believe that there is a huge benefit of having a local office right here in Cedar. To work with those that are in this area. ■Monroe-I would like to just add to that that (51:07) I really like Transcon's approach. That they immediately want to engage the state office, and to make sure that everybody throughout the whole chain of command is aware of our project. ■Green-I think one great thing is that you have already begun to set up meetings. Sometimes it takes a very long time to get meetings set up with the state BLM offices, and Brandon Johnson was able to help pull things together and got you a meeting set up almost right away. ■Jones-I just want to state for clarification, that what we are talking about right now only covers the preliminary costs associated with this project. Green-that is correct. This is just for preliminary costs to get things started. 7:18 PM
Board Member Cozzens motioned to approve the preliminary cost agreement with Transcon.
Second by Board Member Jones
Unanimous at 7:19pm (55:16)

SUBSIDENCE MONITORING: ■Monroe-I asked Doug to put together a proposal for what the costs associated with monitoring the monuments that we have put in over the next year. So as you can see he has estimated that cost for the year at \$1,905.00. 7:22 PM (56:53) ■Bonzo-so will this get us right up to where we need to be on these monuments? ■Monroe-we haven't done any monitoring yet, so this will just be the start of it. This will give us the benchmark for all of the base points that we have placed. Grimshaw will put it into a database and he will come and present that when it is done. ■Watson-so we have quite a few monuments placed in the Enoch Graben area, when are we looking to place some in the Quichipa area? ■Monroe-I think that it would be really easy to do other than getting land owner permission in that area. That has been the biggest roadblock. ■Watson-So the City owns quite a few well sites out there, has that conversation ever been started with them? ■Monroe-No, I haven't talked with them about that area. ■Watson-So we plan to do it this year, but when? ■Monroe-we are probably looking at fall of this year. ■Coronado-I have property in that area South of Vandenburg that I would be glad to let you set a monument. You don't have to call me. ■Monroe-We'd love to utilize that thank you. 7:24pm

Board Member Watson moved to approve the agreement with Doug Grimshaw; Second by Board Member Black
Motion unanimous 7:26 pm (1:02:21)

SELECTION AND APPOINTMENT FOR THE PORT 15 ECONOMIC DEVELOPMENT AREA, TAXING ENTITY COMMITTEE (TEC):

■Hunter-(1:04:11) First of all is there anyone who would be interested in serving on this board?
■Monroe-This is a RDA taxing committee that meets to make policies for the area. There haven't been any changes since it was developed. They've found that the committee they had in place back around 2006 is now dissolved. They are now organizing a new committee. ■Jones-I've had a few people ask me about this committee, I just don't know a lot about it. I am willing to do it, again I just don't know what it is. ■Cozzens-it has something to do with the tax breaks that went on with the installation of Port 15. I believe they are looking to extend those tax breaks that were affected by the recession. There were also some controversial issues about the evaluation of the



property, John do you recall those issues. They were complicated. ▪Black-I do, there were conflicts between the agreement and the operating contract. The language between the two were a lot different as to the evaluation of the property and who is first. I would suggest that the appointee meet with Bittman to get a better picture of the legal issues and also of what will be discussed at these meetings.

Board Member Bonzo motioned to appoint Spencer Jones; Second by Board Member Black Unanimous 7:33 PM. (1:09:03) Spencer Jones excepted the appointment.

CONSIDER APPROVAL OF BID FOR PROVISIONAL WELL DRILLING FOR DISTRICT #1, AND/OR DERBY #2. :

▪Nielson-We were given a funding package through the Division of Water Resource, it was a \$50,000.00 grant or loan for these provisional wells. We proceeded through all the proper channels and conducted all the posting requirements. The bid opening was January 8, 2016 at the time we only received one bid from Grimshaw Drilling in the amount of \$480,280.00. With the bid schedule we were up front and honest. We told Grimshaw that this was our best scenario of what we would really like to see happen and we knew it would come in high. We were able to work with Grimshaw and scale back the project and the award would go to them at \$168,000.00. (1:10:26) This is for drilling one well, and also leave some contingency room for equipping that one well. We've since made phone calls to some of the local drillers asking them why they didn't bid, where we'd given a month to have those bids in. There was a list of different reasons that those weren't sent in. My recommendation is that we award the job to Grimshaw, however, we could go back out and solicit more well drillers. This may make it more competitive. ▪Watson-what makes you think that we would get anymore bids by putting it back out? ▪Nielson-I am not sure that we would get anymore just going off my feeling from the conversations I've been having. ▪Black-If we submitted certain specs to the first bid and then changed those specs, is there a legal issue there? ▪Crane-We didn't change the specs at all. We just reduced line items. Which doesn't change the specs or scope. On the grant and the loan would those numbers stay in place? 7:37 (1:13:33)

▪Hunter-So we need to decide whether we want to drill at the location near District #1 or Derby #2. ▪Nielson-That will be up to the board to decide, we've made Grimshaw aware that we haven't made a confirmed decision on the site we will use. ▪Monroe-So basically you need to decide two parts. One; you need to decide on whether or not you want to approve the well. Two; you need to decide on location. ▪Nielson-I have made note of Spencer's recommendations to pull up other well logs and strata in these areas. Part of this job is to do the geophysical mapping, so that would also give us a better understanding of what we can do. Monroe-Just for clarification, we don't have to make the decision tonight on where the location will be. Just on whether or not we will award them the bid. ▪Crane-We have looked into the well logs and according to the well log perspective, it looks as though we would have higher GPM by the Wayne Smith well. The other one has a more of the sand and clays in the strata. We have a good well log there, we watched that well get drilled. We know pretty much what it is, what we are hoping for there is the smaller diameter, or smaller production well would be beneficial there and ultimately be a better producing well for Derby #2. At Derby #2 we don't have those issues that are happening now at the District #1 area. ▪Feltner The thing that we have at Derby #2, is that Derby #1 and Derby #2 both pump into a wet well in the Derby #2 building. We have a 150 hp booster motor that pulls that water up and sends it out to the Three Peaks Tank. The chlorination center is in that Derby #2 building as well. 7:41pm (1:17:35) As far as power costs go, District #1 was being



used to supply the mine. Having the well at District #1 would eliminate the \$1400.00 demand charge at Derby #2. Either way the cheapest well to operate would be the District #1. Board Member Watson motioned to approve bid submitted by Grimshaw and continue discussion on the well site location; Second by Board Member Cozzens Unanimous 7:44 pm (1:21:00)

AQUIFER RECHARGE: ▪Cozzens-I've been on this board for 4 years now and I want to stop talking about this and move forward on recharge in Quichipa. I think we need to pull all the State Players and Key stake holders of this area together and have a meeting where we can put together a plan and get it done. Cedar City pays 60% of the bill and that would benefit the aquifer that Cedar City's using. ▪Hunter-you are talking about the same thing that Paul and I have been discussing with Jones'? (*For record clarification, when we are talking about he Jones' in this case, it is not affiliated with our board member Spencer Jones.*) Jones' own quite a bit of property there but most of it is on the South side of the channel. (1:24:33) It would be fairly expensive for us to put in a diversion structure in the channel and there is the issue of owning enough property to put the water on after we put that diversion structure in there (1:24:45). ▪Cozzens-Haven't we identified a good area up higher on the West side? We conducted a perc test up there and it really did well. Cedar City owns that property, and there is a natural site that could easily be diked off. I know it is a long way to pump it but it is a great area and would save the water before it gets contaminated. ▪Hunter-That would be a great place to put the water. What I've had in mind is just to put it out there on the 40 acres that Jones' have. I don't know how they would feel about us having the need to build a pond there. We wanted to go out to do the perc test before it snowed 18 inches. Now that the snow is gone we can get out there to get the perc testing done. ▪Crane-(1:26:33) If we did that I know there was a concern about the water quality. ▪Cozzens-Yes, that is why we would need to catch it and get it up to that spot to recharge. We have a good water year with the snow on the mountains, I don't know what kind of budget we have, but we have to get this done. There's been too much water wasted over the years not doing this sooner. ▪Watson-Kelly and Ensign Engineering already proposed this project once. We had \$167,000.00 as a cost then correct? ▪Crane-Yes, this idea would change it a little bit because we are talking about catching it before and pumping it further. *Discussion and brain storming about possible scenarios last for several minutes.* Bonzo question 7:57

▪Watson 7:57 (1:33:55)

This is already surplus water that we have been appropriated. ▪Watson-what happened to the area at the Woodbury split. ▪Watson-Why are we letting it get clear out to Quichipa? Catch it sooner. Discussion continues from 7:45 until 8:07 Kelly stated let's get a meeting set up.

▪Wayment-Why are we not putting water into the gravel pits up by the freeway now? 8:09 pm That's the cheapest route. Further discussion last until 8:11pm Cozzens-I think we need to get it out to Quichipa and take care of the biggest depletion

WAH WAH AND PINE VALLEY: Closed Session for litigation

WATER CONSERVATION: ▪Monroe-Mandi is working hard to get Smart Utility Systems to have that implemented. Our 4th Grade water fair is going to be March 21st and March 22nd.



▪Brent Hunter turned a few minutes over to Roice Nelson to introduce the presentation that he and Gary Player will be presenting to the public titled; The Cedar Valley Aquifer and Cedar Valley Drainage Basin. Nelson: 8:15 (1:51:00) until 8:16

GENERAL MANAGER'S REPORT: ▪Monroe-I have a list of bullet points that I would like to start a discussion on. I would just like to know what you would like our responses to be to the State Engineer on the Groundwater Management Plan. 8:17 (1:53:45)

The next item is the goals that we have set for the district.

We have registered all of the board members for the conference on the 15th and 16th. On the 14th the Barnett's hold their annual Water Law conference. 8:19 (1:55:40)

One thing we didn't cover while going over the operation expenses is the installation of a ladder at the Three Peaks. 8:20 PM

Next meeting date is March 17th, 2016

BOARD MEMBERS REPORT: None at 8:21pm (1:57:57)

Monroe-One thing the board should be aware of is that there was a notice of claim filed against the district. Wayment and Feltner both made comments on the topic 8:23 PM (1:59:40)

Motion to adjourn closed session to discuss litigation regular session made by Board Watson Member, Second by Board Member Jones at 8:24 PM (2:00:00)

Roll Call Unanimous at 8:24 PM (2:00:00)

Roll call is as follows:

Tim Watson-Aye

Paul Cozzens-Aye

Michael Coronado-Aye

Rick Bonzo-Aye

Spencer Jones-Aye

Brent Hunter-Aye

Board member Jones motioned to adjourn executive session back to regular session; Second by Watson at 8:56 PM Unanimous

Board member Bonzo motioned to adjourn executive session back to regular session; Second by Black at 8:56 PM Unanimous