



Meeting date: August 23, 2024
Time: 12:00 PM.
Location: 533 E Waterworks Drive, St. George Utah
Participants: Board members Ed Bowler, Adam Bowler, Victor Iverson and Kress Staheli, Kevin Tervort, and Chris Hart were on the phone. Board member Michele Randall was not present. District staff included Zach Renstrom and Diego Escobar

Consider approval of Water Savings Agreement regarding pressurization of a portion of the Hurricane Canal Company system.

General Manager Zach Renstrom

General Manager Zach Renstrom explained this project started back in 2017. The NRCS prepared an Environmental Assessment (EA) document that covers various areas in the county, including areas in Washington and St. George City. Relevant to the discussion today, the EA also included the pressurizing of a portion of the Hurricane Canal Company's system.

The NRCS was the lead agency, and it was a collaborative effort involving the county, the district, and other stakeholders. The project went through the entire process, including public scoping. Unfortunately, the process was delayed due to the onset of COVID-19, which impacted the timing.

The draft EA was released, but it received very few comments. The final EA was published in March of 2022. The project included various components, with funding matches coming from St. George City, the Flood Control Authority, and the Hurricane Canal Company. The Canal Company was set to receive 75% of the funding, with the remaining 25% open for other contributions.

There has been some confusion about the project's objectives. The U.S. Fish and Wildlife Service viewed the project as primarily benefiting the river, as indicated in a letter they sent. The NRCS had a dual approach, suggesting that some water would benefit the river, while some would be allocated to the farmers.

The city and the District have been working through this process together. Since the EA was published, there have been numerous discussions about how to finalize the project, as there was initially no clear agreement. There has been at least twelve meetings, with the NRCS and

The Nature Conservancy. Hurricane City has secured some funds from the state a \$10 million no-interest loan. However, the state has not yet released the funds.

The Biological Opinion for the EA issued in June 2021. However, it is somewhat vague because it mentions a benefit to the river but also references the EA. The U.S. Fish and Wildlife Service has been closely monitoring this project. They have made it clear that they have studied the document thoroughly and have taken a position on ensuring the project has some benefits for the river.

Even though there were several outstanding issues, the city decided to move forward and put the project out for bids. Interstate Rock came in as the low bidder on both the first and second projects. The first project involves pressurizing half of the irrigation system, and second bid was for constructing pressurized irrigation ponds. The third project has not gone out for bid yet. The total cost for all these projects is about \$40 million.

Mayor Nannette Billings

Mayor Nannette Billings with Hurricane City said they recognized that deadlines were approaching. The city offered a 193 acre-feet water right it owns as an instream benefit to the river. According to the Mayor, this water could be stored in the district's Sand Hollow Reservoir and released back into the river when needed for the fish. This was a good-faith effort by the city to get the process moving, but it did not gain traction with the other partners involved.

General Manager Renstrom

Last week there was a meeting with NRCS, U.S. Fish and Wildlife, The Nature Conservancy, the City, and the District. We reached a high-level agreement to take the 193 acre-feet of water, reduce the Canal Company's share by that amount, and store it for later release to benefit the fish. In addition, put limitation on how much the system can expand. Dayton Hall with Hurricane City drafted a proposed contract. As the parties reviewed the proposed contract, there were several issues with the proposed contract. In addition, a key part of the agreement included a map. The map was not sent with the proposed contract. Zach stated that he had not seen the map until the day before.

Another complication is that U.S. Fish and Wildlife now wants specific, quantifiable numbers, like a gauge that measures flow rates showing a benefit to the river. This is challenging because river management often requires flexibility, adjusting flows based on real-time needs. Given these challenges, it is clear that more time is needed. The City has obtained an extension from Interstate Rock, the contractor. The difficulty lies in quantifying water savings without knowing how many farmers will opt into the pressurized system. Many farmers, around 90%, have indicated they will participate and pay their share, but some may stick with the traditional ditch system.

Mayor Billings

Mayor Billings also said it is important to note that the Canal Company owns the water shares, not the city, so the city cannot give away the Canal Company's water. If we decide not to accept

the federal funds from NRCS, we could keep the water rights and maintain control, avoiding federal strings attached to the project.

Board Member Discussion

Several board members questioned if there was even an agreement considering that there was not an acceptable contract by all the parties. Also, there was discussion regarding how the agreement would even work if there is not a clear path forward.

Mayor Billings

Mayor Billings commented that the city wants a clear agreement that specifies the 193-acre feet as the only benefit to the river. Mayor Billings stated that she has talked with all the parties, and they have agreed to this, and the Board just needs to pass an agreement today.

Board Action

Based upon Mayor Billings specific request and statement that the parties have all agreed, ***Adam Bowler made a motion to approve the water savings agreement as stated by Mayor Billings with two clarifications or amendments that the existing water agreement the District has in place with the Hurricane Canal Company remain in effect without being changed, and the total of 193 acre-feet of water will be the only benefit to the river that comes from this agreement for water savings, the motion was seconded by Victor Iverson and all voted aye.***

Consider approval of the abandonment of a PRV valve and concrete box in Leeds town and Consider approval of the assignment of a PRV valve and concrete box to the Leeds Domestic Water Users Association.

Operation Manager Dave Jessop explained the abandonment of the PRV (Pressure Reducing Valve) vault in Leeds is being discussed because the District recently installed a new 24-inch line on the Quail to Cottom system, making the existing line and vault obsolete. The PRV inside the vault is relatively new, with about 50% of its life left, and is currently valued at around \$5,500. While there is some aged infrastructure in the vault, the District plans to keep the meter. The town of Leeds has expressed interest in acquiring the vault and its contents. The benefit of assigning the vault to LDWA is that the District will not have to bear the cost or effort of removing it. LDWA can use the equipment, including the PRV, elsewhere in their system for additional pressure protection. LDWA has agreed to take the PRV, and concrete box as is.

Victor Iverson made a motion to abandon the PRV valve and concrete box in the town of Leeds and assign ownership of that concrete box to Leeds domestic Water Users Association, the motion was seconded by Adam Bowler and all voted aye.

Consider approval of roof replacement on the Dissolved Air Flotation building at the Quail Creek Water Treatment Plant.

Mr. Jessop explained that over the weekend of August 16, 2024, heavy monsoons caused significant damage to the roof of the dissolved air flotation (DAF) building at the Quail Creek

Water Treatment Plant. Water leaked into the MCC (Motor Control Center) electrical room, which contains high-power variable frequency drives (VFDs) and other critical electrical components. This created a serious safety hazard and posed a threat to the operation of the plant, as the DAF building is essential to the water clarification process.

The roof in question is 20 years old and made of a thermoplastic polyolefin (TPO) system, originally designed to last 25 years. However, due to the harsh climate in southern Utah, the roof's lifespan was shortened. The district received two bids for the roof replacement: \$121,900 from Skyline Roofing and \$169,758 from Clark Roofing.

The initial problem was temporally repaired, an inspection revealed that the roof's condition was worse than previously thought. As a result, the entire roof needs to be replaced. The new roof will not be the same type as the original; instead, it will be a slightly upgraded version that is expected to last longer.

Kress Staheli made a motion to approve the purchase of service from Skyline Roofing in amount not to exceed \$121,900. to replace the roof on the dissolved flotation building at Quail Creek Water Treatment Plant, the motion was seconded by Adam Bowler, and all voted aye.

The meeting was adjourned upon motion.

Mindy Mees

Secretary

WATER SAVINGS AGREEMENT

This WATER SAVINGS AGREEMENT (“Agreement”) is entered into by and between **THE NATURE CONSERVANCY**, (“TNC”), **HURRICANE CITY** (the “City”), the **WASHINGTON COUNTY WATER CONSERVANCY DISTRICT** (“WCWCD”), the **HURRICANE CANAL COMPANY** (the “Canal Company”), and the **UNITED STATES FISH AND WILDLIFE SERVICE** (“FWS”). TNC, the City, WCWCD, the Canal Company, and FWS may be referred to individually as a “Party” and collectively as the “Parties.”

RECITALS

A. TNC is a non-profit corporation organized under the laws of the District of Columbia.

B. Hurricane City is a municipal corporation and political subdivision organized under the laws of the State of Utah.

C. WCWCD is a water conservancy district organized under the laws of the State of Utah.

D. The Canal Company is a non-profit corporation organized under the laws of the State of Utah.

E. FWS is an agency of the United States of America.

F. The Parties are sponsors of a cooperative undertaking to address several resource concerns in the Warner Draw Watershed, Utah, including insufficient water quantities, water quality degradation, soil quality degradation, enhancing agricultural water supplies, and inadequate habitat for fish and wildlife. This cooperative undertaking is administered by The United States Department of Agriculture Natural Resources Conservation Service (“NRCS”) through the Watershed and Flood Prevention Operations Program, which implements provisions of the Flood Control Act of 1944 (Pub. L. 78-534) and the Watershed Protection and Flood Prevention Act of 1954 (Pub. L. 83-566, 16 U.S.C. § 1001 *et seq.*).

G. The Virgin River (the “River”) is the main channel of the Warner Draw Watershed. The City currently provides irrigation water sourced from the River to customers in its service area under its water shares in the Canal Company. The Canal’s Company’s water is diverted from the Virgin River by the WCWCD and delivered to the Canal Company’s system pursuant to a Water Conveyance Agreement between the Canal Company and WCWCD dated March 19, 1991 (the “Water Conveyance Agreement”).

H. The City presently provides pressurized irrigation service to a portion of the City using water shares purchased in the Canal Company, but a significant portion of irrigated properties within the City are serviced by the Canal Company using flood irrigation. The NRCS and the City have planned the construction of an expansion of the City’s pressurized irrigation system (the “Project”) into an area currently serviced by the Canal Company using flood irrigation (the “Expansion Area”). To provide pressurized irrigation service within the Expansion Area, the City will acquire additional shares in the Canal Company or otherwise arrange for water to service the Expansion Area.

I. NRCS has authorized funding to finance the planning and construction of the Project. Because in-stream benefits are one of the anticipated benefits of the Project, NRCS will not release the funding to the City for the Project without an agreement satisfactory to NRCS that describes how the Project will provide an instream benefit to the River.

J. Due to the complexity of attempting to calculate water savings within the Expansion Area to benefit the River, which savings will depend on many variables over a period of time as irrigators convert to sprinkler systems, the Parties propose that the in-stream benefit to the River be satisfied by the commitments made in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. Water Diversion and Pump Back. To assist WCWCD in its management of instream flows to support the River, the City authorizes WCWCD to annually divert up to 193.38 acre-feet of water associated with the City's Water Right Number 81-2475 into WCWCD's Quail Creek Reservoir or Sand Hollow Reservoir. At the request of the Virgin River Program Local Coordinator, water diverted pursuant to this water right shall be used either in WCWCD's pump back system operated in conjunction with the Virgin River Program or released to the River from Quail Creek Reservoir. This Section shall go into effect on October 1, 2024, for the ensuing water year and shall remain in effect until September 30, 2044.

2. Term. This Agreement shall commence on the date that it is fully executed by each of the Parties and shall continue for twenty (20) years, unless terminated earlier in accordance with the provisions of this Agreement.

3. Maintenance and Operation. The City agrees to exercise reasonable diligence in maintaining the Project infrastructure to minimize water loss.

4. Amendments. This Agreement may be amended or revised only by mutual written agreement signed by all of the Parties.

5. Termination. The Parties may jointly terminate this Agreement, in whole or in part, at any time, by mutual agreement in writing.

6. No Assignment. The rights and obligations of the Parties shall not be assigned or transferred without the prior written approval of each Party hereto, and any attempt to provide for assignment or transfer without that prior written approval shall be void and of no legal effect.

7. Subordination. The Parties recognize and agree that the rights and obligations of this Agreement are subject to water right adjudications by courts of law, determinations by the Utah State Engineer regarding water rights and priorities, constitutional and statutory limitations, consents that could be required from third parties, and pre-existing contractual rights and obligations by the Parties or relevant third parties, including the Water Conveyance Agreement entered into between the WCWCD and the Canal Company.

8. Force Majeure. All obligations of the Parties shall be suspended for so long as and to the extent the performance thereof is prevented, directly or indirectly, by earthquakes, fires, tornadoes, facility failures, floods, drought, strikes, other casualties, acts of God, orders of court or governmental agencies having competent jurisdiction, or other events or causes beyond the control of the Parties, including events that prevent one or more of the Parties from releasing and delivering water through their systems. Upon cessation of the force majeure condition, the obligation shall remain enforceable. In no event shall any liability accrue against a Party, its officers, agents, or employees, for any damage arising out of or connected with a suspension of performance pursuant to this section. When a Party's performance is prevented by a cause identified herein, the affected party shall provide written notice to the other Parties as soon as reasonably practical of the force majeure condition. Such notice shall identify the cause of the prevention of performance and the estimated length that such prevention of performance will likely remain in place. Promptly after the prevention of performance is removed or ceases, the affected party shall provide written notice to the other parties that states that the prevention of performance has been removed or ceased and performance of the Agreement has been renewed.

9. Condition Precedent. Notwithstanding anything to the contrary contained in this Agreement, the Parties further agree that the Parties' respective obligations herein shall be subject to the following condition precedent having been satisfied: NRCS provides the seventy-five percent (75%) funding match for the Project within the Expansion Area.

10. Necessary Acts and Cooperation. The Parties shall perform those acts that may be reasonably necessary to effectuate the terms of this Agreement, including but not limited to preparing and filing any applications or other documents with the Utah Division of Water Rights that may be needed to allow Water Right Number 81-2475 to be used as provided for under this Agreement and to protect it from forfeiture.

11. Notices. All notices and other communications under this Agreement shall be in writing or sent via email. Notices shall be deemed as duly received on the date of service, if served personally on the Party to whom notice is to be given. Notices shall also be deemed as duly received five (5) days from the date said notice is emailed or mailed to the Party to whom notice is to be given, either by first class mail, registered or certified, postage prepaid or by express delivery with handling prepaid, and properly addressed as stated below.

If to Hurricane City:

City of Hurricane
Attn: City Manager
147 North 870 West
Hurricane, UT 84737
kaden@hurricane.utah.gov

If to Washington County Water Conservancy District:

Washington County Water Conservancy District
Attn: General Manager
533 East Waterworks Drive
St. George, UT 84770
zach@wcwcd.org

If to Hurricane Canal Company:

Attn: Board President
Hurricane Canal Company
58 N 200 E
Hurricane, UT 84737

12. Conflict Resolution. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Utah. An Involved Party may bring an action in the Fifth Judicial District Court of the State of Utah In and For Washington County. Under no circumstances shall any Involved Party be liable for any consequential damages. Each Involved Party shall be responsible for their own court costs and attorney's fees.

13. Binding Effect. All of the covenants, conditions, and provisions of this Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective successors and approved assigns.

14. Entire Agreement. This Agreement constitutes the entire agreement between the Parties and supersedes any prior understandings or oral or written agreements between the Parties respecting the within subject matter except as provided in paragraph 7 of this Agreement (subordination).

15. No Third-Party Beneficiaries. This Agreement is exclusively for the benefit of and governs only the Parties hereto. The only Parties entitled to enforce the terms of this Agreement are listed herein as the Parties. Nothing in this Agreement gives, or is intended to give, or shall be construed to give or provide any benefit or right, whether directly, indirectly, or otherwise, to third persons.

16. No Waiver. Forbearance in enforcing any right or remedy under this Agreement shall not be deemed a waiver nor shall it be the basis for an inference that any party hereto has waived any provision hereof or that a party has waived any right hereunder.

17. Warranty of Authority. Each individual executing this Agreement on behalf of an entity represents and warrants that they have been duly authorized by such entity to execute this Agreement on behalf of and for such entity.

18. Counterparts. This Agreement may be executed in any number of counterparts, but all such counterparts shall be deemed but one original Agreement for all intents and purposes.

19. Headings. The headings contained in this Agreement are intended for convenience only and are in no way to be used to construe or limit the text herein.

20. Incorporation of Recitals. The recitals of this Agreement are incorporated as if fully set forth herein.

21. Severability. Should any portion of this Agreement for any reason be declared invalid or unenforceable, the invalidity or unenforceability of such portion shall not affect the

validity of any of the remaining portions, and the same shall be deemed in full force and effect as if this Agreement had been executed with the invalid portions eliminated.

22. Interpretation. In this Agreement, unless the context otherwise requires:

- a. Use of the singular, plural, or a gender shall include the other, and the use of the words "include" and "including" shall be construed to mean "without limitation" or "but not be limited to."
- b. The word "may" is permissive;
- c. The words "shall not" are prohibitive;
- d. The words "will" and "shall" are mandatory or required; and
- e. The present tense includes the future tense.

23. Legal Review. The Parties represent and agree that they had full opportunity to review this Agreement with their respective attorneys and that they accept the terms hereof. The rule that such Agreement is to be construed against its drafter shall not apply to this Agreement.

Signatures on succeeding page.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed the day and year above written.

HURRICANE CITY

By: Nanette Billings
Its: Mayor

WASHINGTON COUNTY WATER
CONSERVANCY DISTRICT

By: Zachary Renstrom
Its: Manager

UNITED STATES FISH AND WILDLIFE
SERVICE

By:
Its:

THE NATURE CONSERVANCY

By: Elizabeth Kitchens
Its: Utah State Director

HURRICANE CANAL COMPANY

By: Mac Hall
Its: Board President



Abandonment of Leeds PRV vault and
assignment to LDWA

WCWCD Leeds Vault summary

The District has installed a new 24" pipeline through the town of Leeds and no longer has use for PRV vault.

- Vault no longer of use the District in its current location and would not be cost effective to remove and relocate.
- 6" Pressure Reducing Valve
 - Approximately \$5500 new today
 - Halfway into its life cycle
- Aged gate valves and piping
 - Would not be used in a new application anywhere in the District due to age and life cycle.



LDWA Request

Leeds Domestic Water Users Association has inquired about the possibility of the District allowing LDWA to acquire the vault and plumbing therein for their use in their system



Recommendation

- Approve the abandonment of a PRV vault and its contents in Leeds Town.
- Approve the assignment of a PRV vault and its contents to Leeds Domestic Water Users Association.





Water Treatment Plant DAF Building Roof Replacement

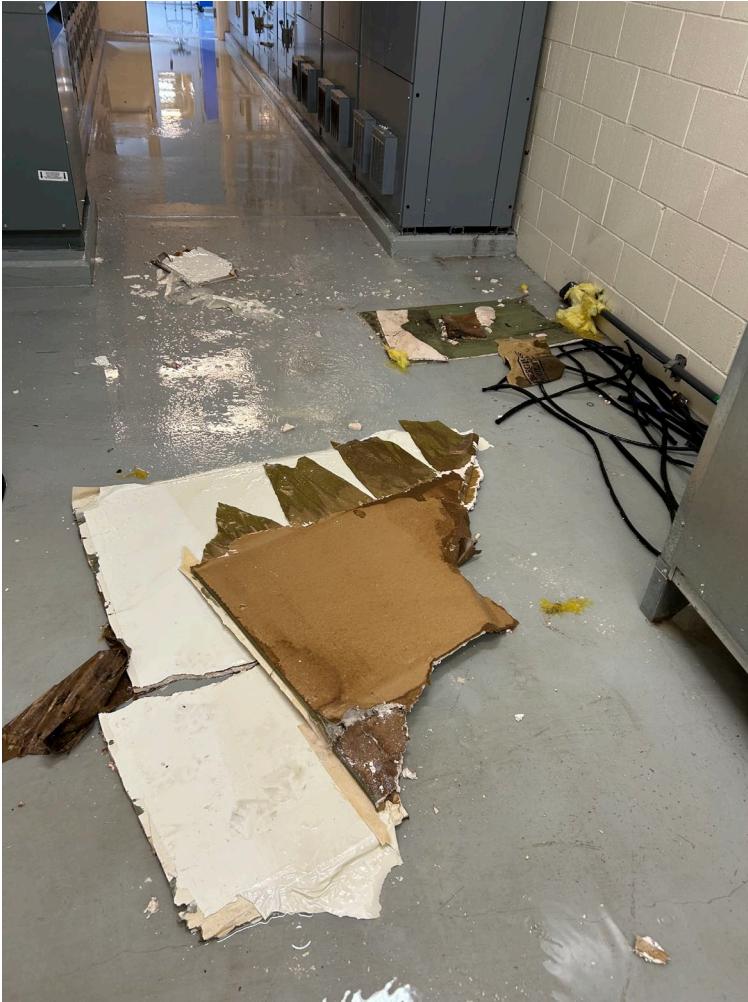
Situation

- Over the weekend of August 16th, 2024, the heavy, monsoonal rains damaged the roof of the DAF filtration building at the Quail Creek Water Treatment Plant.
- On Sunday, August 18th, a plant operator discovered the damaged roof, easily identified by standing rainwater and pieces of roofing materials that had fallen to the floor.









Background

- The existing roof is approximately 20 years old, and is designed with a Thermoplastic Polyolefin (TPO) roofing system that is designed to last up to 25 years if installed properly, but varies in different environmental climates.



Assessment

- A roofing company visited the facility to assess the damage and determined that the entire roofing system is significantly degraded with membrane fibers exposed and weak points throughout. The current roof leaves the DAF building vulnerable to safety and electrical issues.
- Two quotes were acquired for the roof replacement
 - Skyline Roofing \$121,900
 - Clark Roofing \$169,758



Recommendation

- Approve the purchase of services from Skyline Roofing, Inc. for a not-to-exceed amount of \$121,900.

