

City of La Verkin

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La Verkin City Council Meeting Minutes

Wednesday, November 19, 2025, 6:00 pm.

Council Chambers, 111 S. Main, La Verkin, Utah

Present: Mayor Kelly Wilson; Council Members: Patricia Wise, Blair Gubler, Micah Gubler, and Darren Prince; Staff: Kyle Gubler, Fay Reber, Derek Imlay, Nancy Cline.

Called to Order –Micah Gubler gave the prayer and Pledge of Allegiance at 6:00 pm.

A. Consent Agenda: (Items on the consent agenda may not require discussion. These items will be a single motion unless removed at the request of the Mayor or City Council.)

1. Declarations of conflict of interest
2. Agenda
3. Checks & Invoices: \$ 406,897.54

The motion was made by Councilman Micah Gubler to approve the consent agenda as written. Checks and invoices in the amount \$406,897.54, second by Councilman Prince. Roll Call Vote: Micah Gubler-yes, Wise-yes, Blair Gubler-yes, Price-yes. The motion carried unanimously.

B. Business:

1. Discussion and possible action to approve Water Surplus Agreement.

Councilwoman Wise explained they have been working on this agreement for about 18 months and when it first came before them it was for a time limit of 1000 years and no one liked that timeline. A lot of discussions happened after that, setting the terms, what was equitable, etc., and the council was brought up to date occasionally. Never in that time period until we received the meeting prior to this was the perpetual use used. Her understanding was that the water district was loaning them 13 million to fix the irrigation lines and they would receive our excess water. At the end of that term of 25-30 years we would renegotiate the terms. The surplus water belongs to us, that eventually we would use that surplus water for our own new connections. We will still get new connections. The Conservancy District is guaranteeing that. There are formulas here, etc. She still disagreed strongly that in working out a good agreement for both parties that La Verkin has to agree to perpetual use, not even a thousand years, perpetual. She didn't understand how future councils would not have a problem with this. There are some other things that our incoming council member, John, emailed the council and the mayor. She didn't think any of those things were addressed in here. She very much wants an agreement. She thought it should be good for the Water Conservancy District and good for La Verkin. She had a hard time putting her name on anything that is perpetual use. It is such a gamble as to the way that will go in the future. And you can think of any number of examples in governments, civic governments, U.S. government, state government, that this kind of thing has come back and bit one party or the other the wrong way. She did speak with former Mayor Carl Wilson, and he had concerns about it. He did not like the word perpetual either. She also called Commissioner Iverson since he's on the water board. He was on his way to a meeting with the Dixie Convention Center. Evidently some previous Commission signed a 99-year term and 30 years into it they discovered it wasn't such a great deal. His personal opinion was he wouldn't agree to a perpetual timeline. She understood the mayor's opinion and that La Verkin would get clean water. But her concern was after the 13 million was paid back why wouldn't they negotiate a future deal and not just give it up now.

Councilman Blair Gubler added that they have worked on this for months, everybody has done a good job on this agreement. He would like to sign an agreement but didn't agree with perpetual time. He thought that the district, if they get in trouble in 20 years, would want it. Or they would want a way to fix it and change the

agreement we're in. They're not buying it for perpetual. They're buying it for long enough to get their investment back out of it and use the water somewhere. And in 20 years, it might be re-signed and just left the way it is. But in 20 years, or 30 years, but at some time period, people are going to sit back and they're going to say, Oh, that wasn't such a good idea. We need to change. And that's my big steppingstone is perpetuity.

Councilman Micah Gubler asked Fay what his opinion about the word perpetuity.

Fay explained that whenever you speak of perpetuity, it always makes you raise your hand. He pointed out that also there's language here that guarantees us new water connections back in perpetuity. He sent out an email to the council members earlier this week with the surplus water agreement, with that new language inserted in there. In fact, in the agreement, there's three separate locations in the city, receiving those new connections in perpetuity. So, it's kind of a two-way street.

Councilman Micah Gubler understood the agreement that on the secondary water, if it keeps going down the river and we don't have a way to pull it out and to clean it and to use it, can we lose our rights to that eventually? Could that kind of be taken because it's something that we're not using or able to.

Morgan replied to the water right cannot be taken away but the water does go down river to the next in line through prior appropriation.

Mayor Wilson explained the city can protect that water right better than the canal company or somebody else. But if we're actually not going to use that surplus water for secondary irrigation in our system, and we don't have any plans for it over time, the state could come in and re-adjudicate that, even though we are a city. But just for the fact that we can show them a plan that we're going to save that water for a future of generations, We're not giving up, we need that right, and we're not giving up the right. That's enough to keep them from doing it. But if we didn't have that plan to turn it into water for future generations then yes you would be in a situation where they could actually re-adjudicate it.

Councilman Blair Gubler added that he has been researching this. He found Springdale pulls it right out of the river runs it to treatment. He didn't get an exact price but it's about 6 million. There are avenues that we could look at that we can have that all as culinary. Now, if they say we're not doing anything with it, plants can take a long time to build along this side. The plant down here was planted clear back when Darwin Hall was superintendent, and he thought Kelly was on the board when we were talking about that. And that's been 25 years ago. That's been a long time, but nobody's took the water yet, and it's an 1890 right and then all that time nobody's took the water or planned to take the water. As the water gets scarcer people do want that water. So, let's make a plan. Let's plan on using it somewhat ourselves to sell it, the water, to somebody else. There are other avenues if you open your mind.

Councilman Prince commented that he has talked to members of the community and the council that we are headed in the right direction and need to be a part of the water district. It seems like we're stuck on that perpetual. He asked if we know 30 years from now what that value is going to be of that surplus water? Is there an opportunity to share some of that profit? If there is a profit, 30 years. He didn't mind having a perpetual agreement if we're being awarded for that water.

Morgan replied that this surplus water agreement comes down to two things. That the water district is coordinating with the city. Council member Wise mentioned the 13 million plus secondary water system and that we are not expecting La Verkin city to pay that back. So, it's not a loan. The district is providing funds for that. And then also what was mentioned is the new connection and it is a two-way street with perpetuity. So, the water district's concern with it not being perpetual. We are providing funds for the secondary system. And then second, the new connection that is provided is based off that water. We're giving a connection to a home or a

building, so that water needs to be there. We're promising that water. Even though we're not calling this an exchange, it is an exchange where, for the surplus water, La Verkin City is promised new connections until you use them all. And so if we were to give a connection based off this agreement to a home based off the surplus water, and then La Verkin will come back and say, we don't want to do this anymore, and then start using that water, well, we no longer have water for the home. And so that's why it really does need to be perpetual, because a connection to the home is promised.

Mayor Wilson explained that what the water district is offering us is that if we give them that water, that surplus water, whatever amount that will be, that's undetermined. We have an estimate right now it's anywhere from 700 acre feet a year that over the past 10 years or so has been kind of an average of 700 plus acre feet a year that goes down the river to the next priority user. We're third on the priority list, and we're the biggest of those three. This water right for the district is very important because that assures them that, say, if the river starts to go down and they put a call on the river, which they have done in the last several years, they put a call on the river, and they put the priority right to 1900. Anybody that's got a priority right that's newer than after 1900 cannot use the water. But we can, and we can use it for contract holders, for the city herself, because the city owns the water. So that's why the district's interested in it, because if we can provide them with the water to store, to treat, and to transmit back to us through their system, which they will guarantee us water connections, that's why we have the water rights, so we can have water connections for future generations. And this is exactly what we're doing. We're making that possible that this extra water that we're not using in the system is beneficial for future generations in La Verkin. And it's valuable but that's against the state law to sell our water. And that was one of the sticking points that the water attorney had with this is that we sold it to the district and we're paying that loan back. And then after that's paid back, we're going to keep selling that to the district. But they're guaranteeing us if we don't sell it, maybe they don't want to buy it. But they guarantee us water connections. We're going to be able to have beneficial use for that. We're not selling our water, our extra water out of the springs. The state's telling us that they're not even going to give us a haircut. We can get water for water, so we get the full back of it. Generally, when you change the use, you get a big haircut on it. They'll cut back on it. They're not offering that. This is a very good idea for us. The district isn't asking us to pay that money back. And the reason they want perpetual is exactly what you said. They're committing that to connections. And it has to be that, just like our water out of the springs, we commit that to the connections in the work. And so, it needs to be perpetual on both sides so that they can have the water to commit to us, and it's perpetual for us so that we can use those connections up to that water right for future generations. He didn't see any reason why we wouldn't pass this. It's a huge benefit for our future youth, future generations and for our future growth. There's enough water there that we could almost completely build out the city. We're limited in our space, and the water connections that we'll get from this are probably close to full build-out. If there was 1,000 extra acre-foot of water, we would get at a 0.59, we would get almost 17 connections. At a 0.39, the ultra-conservative use, if that gets passed, we can use that. That would add to about 1,000 acre-feet, about 2,500 more connections that we could use. And if the calculations that we're using are from Sunrise Engineering. It could be anywhere from 1,000 to 1,500 acre-feet. He believed they settled on about 1,350. We're not giving up our water rights. They're offering those connections in perpetuity, which means that we're getting it back. They need to have it and get the water in perpetuity because they're going to be able to offer those back to us. Maybe we want to build our own reservoir, build our own treatment plant. And how many years did it take to get that reservoir in Toquerville? It has taken 13 years and 90 million dollars. And that's not even treating the water yet. The cost to build a treatment plant to do that would be astronomical. We already have that in the water district. We're part of the water district. We're part of the pulling agreement. We've joined the water district when they first put all the agreements together in 2006. We have the benefit of using the water district for our benefit they're offering that to us. It costs money to store the water, to treat it, and to transport it. They're going to charge us whatever those costs are. He understood their concerns however, they have taken their time and made sure that this is a good thing and we're protected. We have probably one of the better water attorneys in the state that has been working on this on our behalf. There're many times that he's suggested things to the district's water attorney. He has been involved with this agreement at all stages, and he has tried to

keep everyone informed. He strongly suggested that they should vote for it and pass it tonight, because it will be beneficial use for our future generations, and it is guaranteed that we're going to get that water back.

Councilman Prince asked what happens when we max out our water rights and connections.

Mayor Wilson explained that if they maxed out the connections that we receive in this agreement it would be no different than maxing out the water rights. We have water rights in the springs to use. The water agreement must be perpetual so that we can always have that water for those connections, because they're committed to us.

Councilman Prince asked if there was surplus water after that could they sell it.

Mayor Wilson explained there would be no excess water. The benefit to the district is they have so much water that they provide for the eight communities now that are part of the water district, and Ivins is out of water. They have to get all the water for any growth in Ivins from the water district. Washington City is the same way. He didn't know how close St. George City is on using all of their water rights, but they get a lot of water from the water district. Santa Clara is maybe a little bit better off than some of the others over there. Toquerville, relies on the district for growth. Because they don't have the water to do that. We're the only community that has enough water rights to do that. And the only way we can do it is by converting that from secondary use to culinary use and back to us. It won't affect any of the contract holders because we're using that secondary water that's coming out of the river. We're going to meet our obligation to the contract holders. The city has probably the biggest share of the contracts. The city is using that water to rent out to the rest of the community so that we're not using culinary water to water our lawns but we're using secondary water. As time goes on, we're going to have fields like at the hot springs that there's not watering in that parking lot. The Squires property eventually is going to sell and they're going to build something on that it might be a parking lot it might be some other businesses that's going to be more water that will be saved that will be used on that field once that the water turns on the irrigation system in the secondary system in the spring those sprinklers on the Squire property, run until it turns off in the fall they just keep moving them around. To water their property so it's running all the time and most of the other big water users that have fields are using that for them and so it's not going to hurt them because we have a contractual obligation to provide secondary water for the citizens of the La Verkin, and we're doing that but we're not using it all and this is an opportunity to use it for the beneficial use for future generations.

Councilman Micah Gubler asked if a house was built 20 years ago under this agreement, then the agreement is gone that house wouldn't have water anymore?

Mayor Wilson explained they already committed water to them, so they have to provide it. The waters coming from our secondary water right. The district is committing water to Ivins and to Washington and Santa Clara and St George and Hurricane. That water's committed there they may have a hard time committing more water to us but by doing this they don't have to commit water to us we're being self-sufficient we're fully using our water even though we're going to pay for it because it goes through their system, but it's still our water.

Councilwoman Wise explained if in 20 years they take water away from us, then they're also going to be taking water away from every other city in Washington County. We're not going to be picked on. If the water belongs to us, it belongs to us. This is our water; the Water Conservancy District is the manager. They don't own anybody's water, and so they can't give our water away to other cities. It is our water, regardless of whether we enter into this agreement or not. She would like to see this agreement happen. There is nothing here that talks about renegotiating terms. And Morgan, the \$13,400,000 that the Water Conservancy District is exchanging with La Verkin for the surplus water that's a value. You're giving us \$13 million in value, and we're going to give you \$13 million worth of water. Actually, a lot more than that, probably. And that at the end of the time or if it's terminated. The way this agreement's written, we don't even have any recourse to renegotiate. In the

agreement prior to April 1st of each calendar year, the district and the city shall meet to coordinate regarding the terms of this agreement, including balancing the ledger of new connections and the amount of surplus secondary water rights deliveries from the city. She wanted to see there be terms that allow more negotiation by the city. If in the future there's a lot more value to our water that the district is using, that we are compensated in some manner. That's really the nuts and bolts of it, and in our work meeting with our water rights attorney, Jeff Gittins he advised he would want to have bars of time where the contract is, renegotiated in the sense that we're not terminating the contract, but we're negotiating where we are 20 years from now, 30 years from now, 50 years from now. The only other thing here is the termination, and that's drastic. She wouldn't want that and the Water Conservancy District definitely would not want to reach that point, and neither does La Verkin. She was objecting that we're agreeing in 2025 to things that we have no idea what's going to happen and we have no recourse to change it. We're stuck.

Mayor Wilson asked if we have recourse on the fact we have connections.

Councilwoman Wise agreed they do have guaranteed connections. She didn't see why we can't put a clause in there that's stronger than this coordination clause that benefits all of us at some point renegotiating the terms. Like maybe there's more value to the water and La Verkin has given it away.

Mayor Wilson agrees there will be more value to the water, and the city will have guaranteed connections and spring water left.

Councilwoman Wise adds we are agreeing to 13 million and there should be more down the road.

Mayor Wilson points out that they are offering money to fix our system because we are losing water and this will save us water. We know we're losing it. We just can't find where it's at. There are places where water goes in the ground and it never surfaces. Karl told me a few years back when you were the mayor, you found a two-inch leak in their main water system that never surfaced. And 25 years ago, the water district came to us and said, you're using about all of your water right. And they said, "Well, you're going to have to start buying water from us." And so, we did. We entered into a contract to buy water from them. And we replaced that line, and that's when they found the leak. Now 25 years later we have grown a ton and we still have water left in the springs. What they're offering to us is they're going to help us get a new system, they're not asking to be repaid, and we're going to still get the full benefit out of that water right. Whether it's \$1,000 an acre foot in 20 years from now, or if it's \$500,000 a year, it's still our benefit, the benefit to us. And it's not for sale. And if you try to sell it, the state will come right back on you and say you can't offer more. We're not selling the water to the district; they're just helping us convert it from secondary use to culinary use to benefit the citizens. And so, the way it's written is really the right way to put it. There's no question about that. Because they're not going to commit to us water that they can't be assured of getting.

Councilwoman Wise replied it's not all or none. 20 years from now it could be worth more money.

Mayor Wilson answered that in 20 years, we're still going to get it back. And we're still going to provide it to the district so they can treat it and bring it back. And they're offering to do that and help us do that. That's what they're there for. If we didn't have the Washington County Water Conservancy District, Washington County would probably have a population of maybe 50,000 today. But because of what they do to help all of our communities; we've been able to grow. And it's been made possible that our families, people that live here, can stay here and work, and some of them don't have to move away. Some of them choose to move away. He didn't know what we're going to renegotiate for 20 years or 40 years from now because you're still getting your water right now. You're just going to pay whatever the going rate is for the cost of storing it, treating it, and bringing it back to us.

Councilman Blair Gubler added that our sister cities that had no water at all and the conservancy district has said we're going to give you water. Morgan can attest to that. He thought Ivins was one of them that didn't have any water at all. They have water whose water they are using and when they've used that water how do we get it back. It doesn't matter whether it's on paper or not, you still don't get the water back and if you go down by the airport of St. George city they have the massive Subdivisions.

Mayor Wilson replied that the district cannot over allocate the water.

Councilman Blair Gubler commented they could go to the state and reallocate it. In this agreement it says they can go to the state and reallocate it. They are going to move it.

Mayor Wilson replied you have to have water to reallocate it. They are going to allocate it to us. They aren't going to give it to Ivins.

Councilman Blair Gubler commented they already have. He commented on all the subdivisions in Washington city that are using a lot of water. If they allocate all the water out they won't have it to allocate to La Verkin. It doesn't matter what the agreement says. And they guarantee it for perpetuity, it doesn't matter because they'll come to us and they'll say, well, right now we're out of water. So, all of Washington County has stopped growing. It doesn't matter whether they've done it on paper. They'll say, oh, we're working on a line from Lake Powell. It covers their butt.

Mayor Wilson asked if he was saying if the District says they're out of water, we still have some water rights in the springs, we won't be able to use them.

Councilman Blair Gubler replied no they will use those, how many do we have.

Mayor Wilson explained we have water rights in the secondary system, we won't be able to give them to give back to us for use.

Councilman Blair Gubler explained that if they can allocate it, why can't we allocate it within our own city. We have a lot of land that's in the city, we haven't got any water on it, and so the map shows that we can't put any water there. But the Conservancy can. According to the map that's in this agreement, we can allocate the bottom bench for the water. Nothing outside of the bottom bench.

Mayor Wilson replied that we don't want secondary water on the topside.

Councilman Blair Gubler commented we could build a treatment plant just like they can, it just cost money.

Councilwoman Wise asked Mayor Wilson why he wasn't willing, if he was sure that's correct, why isn't he willing to just beef up number four coordination and allow more negotiation at 20 years in the future.

Mayor Wilson asked what would need to be negotiated.

Councilwoman Wise replied that they have never entered a long-term contract. We've got value. We've got value which can change depending on whether we have drought or we have surplus.

Mayor Wilson replied that the value will change. That's always going to change. It costs a lot more to get water in the future. And that water in 20 years that we have is going to be worth a lot more. But if we had to get it somewhere else it would cost a lot more.

Councilman Blair Gubler added that it's just a connection to us. To the Conservancy District right now, it's \$15,000 per connection.

Mayor Wilson replied that the impact fee.

Councilman Micah Gubler gave an example of Medicare Advantage plan, when people are used to insurance companies always charging more and giving less, and it's a good deal, they say, well, where's the catch? And that kind of seems to be like, well, there's got to be something here, right? We just don't naturally trust outside entities, and he thought the mayor's been trying to say this is a win-win. They're helping us to get dirty water and make it clean, because we're not in that business. And Blair, as much as we say we could build it, La Verkin is not going to get into the water treatment business. We can barely keep our roads serviced.

Councilman Blair Gubler commented that new technologies are happening fast. Springdale has got it, and that's how they get their extra water.

Councilman Micah Gubler continued to say that Springdale has a budget that's X amount above ours, right? We couldn't even consider \$6 million right now for anything.

Blaine Worrell commented that Springdale was already doing water, but it was an upgrade to their system. So, they've had the plant for a long time. It was an upgrade to get new technology. He couldn't remember the exact numbers. \$10 million is what the total project cost, \$10 to \$15 million, somewhere in there. It is for a fraction of the size of La Verkin.

Councilman Micah Gulber commented that he was trying to understand on both sides, and he thought, we're thinking there's going to be a lot of surplus water that has value, but it sounds like if we hit even the, optimistic, conservative, numbers, at some point we have maybe just enough connections. 30 years from now, we have a whole lot of surplus water. It sounds like we can't sell our shares anyway. Right. He could see the mayor's point that what are we really negotiating right now we're locking in a way to guarantee and take water that's been going down the river and now we can make it clean and bring it back to us and not have to get into a loan to do it. It's opening a door for us to actually finally use the water shares that we have and assure them for the future. His hang up was he thought there's a lot of these extra shares of water we can sell but learning that we can't sell our shares of water and also that we're going to build out and use all of it eventually he didn't see why we need to renegotiate or what there would be to renegotiate.

Councilwoman Wise replied that she didn't know that we would need to renegotiate but the way it's written now we never will be able to. She thought they would get the water back, and maybe we won't use them all. You know, we assume that we'll build out, but maybe we won't. And we're still giving the Conservancy District surplus water. That we have chosen that we don't need, and then we are losing that. She was asking that we have the opportunity to. Maybe negotiates the wrong word, just a word that's used a lot, but we should have the opportunity to really review and balance the agreement.

Mayor Wilson replied we have the opportunity to balance how much water it's going to be every year.

Councilwoman Wise explained you're assuming we're going to use it all. But truly, what if we don't? And there's a whole lot of value in water that we're not using, and we'll never, into perpetuity, get any of that value.

Mayor Wilson asked how they would get the value out it the state says they can't sell it.

Councilwoman Wise If we're entering into this agreement, and we're allowing the district to take the surplus water. In this agreement, they will be the next priority, first right.

Mayor Wilson replied they're taking our priority because it's the best and just making sure that we're going to be able to use that for our benefit from secondary use to culinary use.

Councilman Blair Gubler suggested taking the numbers and cutting them all in half. They can have half the surplus water now and in 10 years negotiate for the other half. We have always just let the water go down the river to the next user.

Mayor Wilson asked why they wouldn't use it to benefit the city. He asked what kind of wording they wanted if they were to renegotiate.

Fay thought what they were looking for would be after a period of 20 years from the date of execution of the agreement, parties agreed to make any adjustments deemed necessary to correct any, or to make any adjustments. To correct any inequality or inequity. If there are those kinds of inequities after 20 years both parties can always sit down at that point and take a look at the agreement and renegotiate. There's nothing that prevents the parties from doing that at any time. Washington county water conservation district in his view is there for the benefit of the cities that's their purpose. A government entity is supposed to work in good faith so in dealing with the city and that kind of governmental entity you assume those people will act with an issue that comes up that nobody anticipated. Then we'll sit down and adjust it accordingly.

Mayor Wilson asked Morgan if the district would be opposed to adding a renegotiation for 20 years.

Morgan replied we'll need to figure out that one party deems an equity but the other doesn't. You have to resolve it in some way because it just goes back to if you've given connection based on that surplus water, whatever it was, because we're not having the city commit to any amount of surplus, which that is a risk the district is taking. She made that very clear. The district's taking on some as well. Also, the district isn't asking for a set number of surplus water. It may be more one year and so they are taking a chance also. The water district is not committing the city of La Verkin to any amount. We're going to meet yearly to see how much water surplus there is, and then decide, okay, that means you can get these many connections out of that surplus. Okay, next year, how much surplus water do you have? You could say, we don't have any this year, and we say, okay, no connection. Next year, how much surplus water? So, we are doing that on a yearly basis, and this Exhibit A is an illustration, but the district is not holding La Verkin City to a number, so that is a risk to the district. Councilmember Wise, we are already doing what you're doing. If we were to add language of renegotiation or fixing inequities, we would need to have a lot of sideboards, how that's resolved. And it needs to be resolved, because what we don't want to happen is it can't be resolved. The agreement is terminated, the city starts using more of that surplus water, but we've got connections that are relying on that.

Mayor Wilson added that Exhibit A is just a guesstimate. We don't know for sure. We think it's going to start out at close to 1,000 acre-feet. Once the new system is in and we know we've got a reliable system. They think there will be less water used because some of these big fields that use a lot of water they're eventually going to grow houses, and they won't be using as much water.

Councilwoman Wise asked them the wording that you were just saying about, say, 20-year time, reviewing and resolving any inequity, is that pretty much what you were saying.

Fay commented that if you sit down in good faith, there's always an obligation under the contract to review whatever we do, it has to be done in good faith. We're doing this in good faith, aren't we. We're doing this in good faith, yeah, absolutely. The district always owes to the city, and the city always owes to the district. If any circumstance arose that wasn't foreseen at this particular period of time, somehow inequitable to one of the parties, in good faith it would be discussed.

Councilwoman Wise replied she couldn't in good faith sign this agreement without more language about a renegotiation. She really wants to get this finished.

Fay responded that the language would need to be fine-tuned and agreeable to the district as well as the city.

Councilman Micah Gubler added that Morgan's comment that they have risk, that can come back to bite them. We might be the ones 20 years from now that have got a \$13 million system, and if the surplus isn't there we got the better deal.

Councilwoman Wise was concerned that she never heard of anybody signing away forever. Without any discussion, let's just do it. It sounds good right now. We've tried to cross the T's, dot the I's. And we're going to live with it forever. Future councils are going to live with it forever.

Councilman Micah Gubler did like the idea of trading clean water for connections, forever. If the water is gone, it's gone across the county. However, we have it in perpetuity.

Councilwoman Wise asked if the water was really gone from the county would La Verkin really still have green grass and construction going?

Mayor Wilson said that question came up at the Water District, and they asked each one of the cities, are you willing to, if we get in a drought situation and we have to go to different stages of the drought, willing to let your lawns go brown? They asked him and he said that lawns would be green. We have a contractual obligation to provide that secondary water for our users in La Verkin. And that is the priority that we have. As long as there's water running down the river and they don't put a call on the river beyond 1890, we're going to get that water. And if we have excess water, it'll go back to the district, and they'll treat it and give it back to us in the coming years. And the rest of the county will have to look at brown lawns.

Morgan agreed.

Councilman Blair Gubler wanted to wait to make a motion until the next meeting. He wanted to see a clean copy with a change in the timeline. He didn't know why there was a hurry.

Mayor Wilson wanted a motion on it in tonight's meeting. He thought they had discussed it long enough.

Councilman Micah Gubler liked the perpetuity better, just because the equity thing made him nervous. We don't have that kind of money

The motion was made by Councilman Micah Gubler to approve Water Surplus Agreement, seconded by Councilman Darren Prince. Roll Call Vote: Micah Gubler-yes, Wise-No, Prince-yes, Blaire Gubler-no, Mayor Wilson-yes. The motion passed.

2. Discussion and possible action to approve the MOU for the Water Surplus Agreement.

Mayor Wilson explained the MOU is how the work gets paid for with the irrigation project. The district will pay the invoice and that way the city doesn't have to get a loan and have the district pay us back.

Kyle added that this just outlines how the contractor will be paid back, and the process that they need to follow, so the district approves it, and the city approves it, and then the district pays it.

Morgan added that La Verkin city is in control of the project. They will give support if La Verkin city desires it.

The motion was made by Councilman Darren Prince to the MOU for the Water Surplus Agreement, second by Councilman Micah Gubler. Roll Call Vote: Micah Gubler-yes, Wise-yes, Blair Gubler-No, Prince-yes. The motion passed.

3. Discussion and possible action to approve the Water Exchange Agreement.

Morgan explained that Ash Creek Special Service District is constructing a Confluence Park water reclamation facility. Our reclamation facility will produce type 1 reuse water, which is safe for human contact, safe for outdoor irrigation, and it's even safe for irrigation on edible portions of crops. And it is a consistent flow, which is nice, the turbidity that La Verkin has will be reduced. Part of the project that the district is paying for and doing is a pipeline from the complex park water reclamation facility to a new pond. It's separate. The secondary system improvement project, so none of that \$13 million from the district is paying for these projects. It will deliver reused water to the pond, and then La Verkin City will use that reuse water in its secondary system. It'll be a one-for-one exchange. So, any amount of the reuse water that is used by La Verkin City, the district will take the Virgin River water that La Verkin City would have used so that you get the reuse. The district recognizes that Confluence Park Water Reclamation Study will not be producing enough type one reuse water to do a full exchange. So, part of the pond is desilting basin. So, La Verkin City will be using Virgin River secondary water rights, as well as reuse water, and the desilting pond will help with turbidity of the Virgin River water. So, one-for-one exchange, no cost, no additional cost to either parties and it will be a more constant flow, less sediment.

Blaine explained that the pond will have two inlets. It'll have an inlet from the Virgin River, inlet from the reuse, and it'll be on the south side of the pond. And then on the kind of northwest side of the pond, there's a decanter arm. It's got a pipe with a flexible joint so that the water that's coming out of the pond will always be drawn from the top. So as water comes in, especially the Virgin River underwater with its high sediment content, we'll come in and have time to settle to the bottom and then we'll be drawing water off the top, about a 20 foot elevation difference from the bottom of the pond to the top of the water so that we're getting as clean as water as possible as it's going into it.

Mayor Wilson added that it would be a huge benefit for the users of the secondary system here in the work. And eventually, hopefully we'll be able to have much cleaner water

The motion was made by Councilwoman Wise to the Water Exchange Agreement, second by Councilman Micah Gubler. Roll Call Vote: Micah Gubler-yes, Wise-yes, Blair Gubler-no, Prince-yes. The motion passed.

4. Discussion and possible action to approve the Director of operations new truck lease.

Mayor Wilson explained that Derek leases the truck for two years because they want it back for the resale value of the truck after two years. The resale value is a lot higher on a new truck. They do this with the police chief's truck also.

Councilwoman Wise wanted to know why there was not a lease agreement with any numbers.

Derek explained he didn't have the details when the packet went out but he has the lease now. Working with the company that we work with they give us a one-to-three-year option lease option we can lease for one year, two-year or three years. After the third year we keep the truck then for the fourth and fifth year. We're cutting the rest of the two payments in the truck. We lease with a 10,000 mile per year maximum. The old contract was that it was an annual payment that we would make to them every year. The lower the miles, we actually get a rebate back. Right now, with my truck and its miles, the city will recoup \$10,000. We'll get paid back \$10,000 for the

truck. So, by the time you take the \$10,000, reapply it for the payment, our payment increased this year with a two-year newer truck by \$200. I've got what those payments would be, right now, we make an annual payment of \$8,500. The new payment would be \$8,750 without rebate coming back to the city. They prefer not to make an annual payment anymore due to the fact that if we want to cut the lease short, we can't do that. If we want to cut lease agreement short we can't because we have started into our third year, we wouldn't have that option. The longer we hold on to the truck, the less that money comes back to us. So, we basically have that truck for two years. We've paid two payments of \$8,500 on it, and we stand, we're back almost three quarters of the payment back to us, the apply back to as long as we're maintaining it well and the miles aren't excessive. We just bought a truck that you guys approved for ongoing. So, it's kind of a win because we keep a truck that's a nice truck and a truck that stays under warranty and a truck that we actually end up getting money back for it. That's a truck that will hopefully get another 10 to 12 years out of. This is better all the way around to where we're not financially responsible. First, we're not in debt for the truck other than the lease payment.

Mayor Wilson pointed out over two years they paid 17,000 and they got \$10,000 back. That's a truck for two years only for \$7,000.

Councilwoman Wise suggest that Derek gets them the lease and they can approve it. She wondered if that would cause hardship.

Derek explained they could do that. That it would be three months already for the truck to be delivered.

Councilwoman Wise explained she didn't think they should vote on something they haven't seen yet. And asked Derek to bring up the paperwork for them to look at.

Councilman Blair Gubler asked how much the truck costs.

Derek replied that the one he is driving now is \$9500, because our last two payments are about \$1030. And the point is we don't want to buy this because we don't want to bypass the warranty. This year is the first year after you guys have allowed us to start buying new equipment so that we are actually only at 20% of our equipment usage. In December we'll be at 50% of our budget. We've actually started to see that come around to be a benefit to us.

Councilwoman Wise asked if this was approved tonight, she wants the actual lease to be in the packet and part of the agenda. She asked if that was possible.

Fay replied yes they could add it later to the packet.

Councilwoman Wise explained that she was okay with it if the rest of the council is okay with it. She didn't think that we as a council should be approving things like this, a lease without the actual lease attached to this meeting agenda.

Mayor Wilson suggested that the motion approve a copy of the lease agenda for Nancy to have in the record.

Kyle added that it might be, if you do that, that might let Derek get the other one ordered. Because he's got to keep that other truck until the other truck gets here. But it would have proved what his numbers on the lease are, and subject to the lease coming back to you in two weeks at the next meeting. Then he might be able to call the United Fleet and tell them we're good to go. We don't want to run the risk of losing the rebate.

The motion was made by Councilwoman Wise to approve the Director of Operations new truck lease with the condition that the numbers stay the same and to attach the lease to the minutes, second by

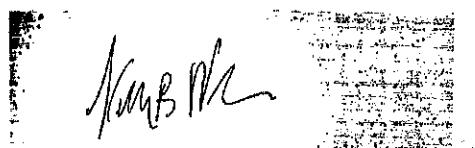
Councilman Blair Gubler. Roll Call Vote: Micah Gubler-yes, Wise-yes, Blair Gubler-yes, Prince-yes. The motion carried unanimously.

C. Adjourn:

The mayor closed the meeting at 7:26 p.m.

01-07-2020
Date Approved

ATTEST: Nancy Cline
Nancy Cline
City Recorder



Mayor Kelly B. Wilson