

Board Members

David Harris
Terri Hartley
Tyler Melling
Paul Nelson

District Staff

Paul Monroe-General Manager
Mandi Williams- Administration
Tracy Feltner-District Operator
Curtis Nielson-District Engineer
Justin Wayment-District Attorney
Jeff McKee-District Operator
Tyler Glover-District Operator
Christy Tullis-Office Manager
Holden Miller-District Operator

Others in Attendance

Timber Bowen (Mountain Land)

CALL TO ORDER: •Board Member Harris called the meeting to order at 6:33 PM. Terri Hartley led the Pledge of Allegiance. Paul Nelson offered the invocation.

DECLARATION OF ABSTENTIONS AND/OR CONFLICTS OF INTEREST BY BOARD MEMBERS: •None.

CONSIDER APPROVAL OF MINUTES FROM THE BOARD MEETING HELD OCTOBER 16, 2025:

Board Member Hartley moved to approve the minutes from the Board Meeting held October 16, 2025. Second by Board Member Melling. Motion Unanimous at 6:36 PM. (4:44)

PUBLIC COMMENT: • None

CONSIDER APPROVAL OF PAYMENT OF BILLS AND ADJUSTMENTS OCTOBER 11, 2025 THROUGH NOVEMBER 13, 2025: •Williams- highlighted the payments to Amtec for the arbitrage, Bradshaw Electric for the Vandenberge Well Project, the Eocene payment, and Phaze Concrete for 8 Mile Hills Tank. She went over the credits & debits.

Board Member Nelson moved to approve the payment of bills from October 11, 2025 through November 13, 2025. Second by Board Member Hartley. Motion Unanimous at 6:41 PM. (9:28)

REVIEW 2025 FINANCIALS: • Monroe –then reviewed the operational budget and noted that the District is in a healthy position at approximately 91% through the year. He said there were no

major concerns on the operational side and that while some expense categories are slightly higher, nothing appears out of the ordinary. Overall, operating expenses are approximately 78% of the budgeted amount. Based on projected spending of about \$2.1 million against a \$2.5 million budget, the District is approximately \$400,000 under budget.

On the revenue side, Monroe said the District remains in a good position, particularly with water revenue. He noted that property tax revenue has not yet been received but is expected, and that loan revenue has already been received. He also highlighted that impact fee revenue was budgeted conservatively and has exceeded expectations, reflecting continued growth.

Monroe then reviewed the capital side of the budget and highlighted several projects. Basin 14, the Pine Valley Project, has incurred approximately \$342,000 to date as work continues toward completion of the EIS. The Enoch Secondary Water Project is expected to be completed by the end of the year, with additional payment requests anticipated, bringing the total to approximately \$500,000. He also noted that approximately \$6.4 million has been spent on Water Improvement Projects, primarily related to tank construction. Recently capitalized items include water rights acquisitions and the closeout of recharge projects and wells in Pine Valley. Monroe clarified that the ending capital reserve figure includes bond proceeds and does not represent actual cash on hand.

REVIEW 2026 FINANCIALS: Monroe stated that there were no significant changes from the last budget work meeting or public budget meeting. He noted one adjustment on page three, where an increase of \$52,082 was added under the Bank of Utah note to account for loan interest. He said this was the only operational budget change, aside from minor adjustments based on prior recommendations. This amount will cover the tax liability for the arbitrage of the interim financing of the Water Improvement Project.

On the capital side of the budget, Monroe noted that funds were added under machinery and equipment for the purchase of a vac-trailer. He stated that no additional recommendations or public comments were received during the past month. He noted the projected ending capital balance of approximately \$762,000, which may be used for future projects or placed into reserves.

During discussion of the financial statements, a question was raised regarding the liability for the new loan not appearing clearly on the balance sheet. Monroe stated that the matter would be reviewed and that follow-up would be provided.

The board then returned to the proposed 2026 budget. Monroe noted that the budget had been reviewed at a prior meeting and that no additional changes were recommended. He confirmed the District is projected to end the year with approximately \$762,000 in cash. In response to a question regarding water operator salaries, Monroe explained the increase reflects wage adjustments, additional allowance for part-time staffing, and the addition of a new employee. He asked if there were any further questions regarding the proposed budget.

(21:24)

PUBLIC HEARING ON THE 2026 PROPOSED BUDGET:

Board Member Melling motioned to close the regular meeting and go into a Public Hearing on the Proposed 2026 Budget. Second by Board Member Hartley. Motion Unanimous at 6:53 PM.

Roll Call as follows:

Melling-Aye

Nelson-Aye

Harris-Aye

Hartley- Aye

No Public comment

Board Member Melling made a motion to close the public hearing on the Proposed 2026 Budget and Reopen the regular board meeting. Second by Board Member Nelson. Motion Unanimous at 6:56 PM. (22:34)

CONSIDER THE APPROVAL OF 2026 PROPOSED BUDGET:

Board Member Hartley moved to approve the 2026 Proposed Budget. Second by Board Member Melling. Motion Unanimous at 6:54 PM.

Roll Call as follows:

Melling-Aye

Nelson-Aye

Harris-Aye

Hartley- Aye

(23:08)

CONSIDER THE APPROVAL OF 2026 BOARD MEETING SCHEDULE & 2026 DISTRICT HOLIDAY SCHEDULE: •Monroe- There was discussion about the holiday schedule among the board.

Board Member Hartley moved to approve the 2026 Board Meeting Schedule. Second by Board Member Melling. Motion Unanimous at 6:56 PM.

Board Member Nelson moved to approve the 2026 District Holiday Schedule with the amendments. Second by Board Member Melling. Motion Unanimous at 7:01 PM.

WATER IMPROVEMENT PROJECT:

•The 8-Mile Hills Tank – •Nielson- Starting to tie up all the tedious work. Everything big is done and they will be finishing the electrical and then inspection tomorrow. Potentially filling next Tuesday.

•Cedar Highlands Tank- •Nielson- There was a meeting today, they did the trenching for the drainage around the tank, fill and watch for leakage. Ahead of schedule *There was quite a bit of discussion among the board about the fiber line being installed at Cedar Highlands.*

▪ Basin 71 Well and Waterline & District Well #3- ▪ Nielsen- It was noted that due to the recent government shutdown, progress with the USDA has been temporarily stalled. While all environmental requirements have been completed, the District is waiting on USDA approval before issuing a formal bid. Ensign has reached out to the USDA, but they haven't responded.

WATER CONSERVATION: AQUIFER RECHARGE, REUSE WWTP WATER:

▪ Monroe- Nothing on recharge. On the reuse project, staff reported that an RFA from Rex Shipp was received and will be submitted in preparation for the upcoming legislative session. The request seeks funding to extend the secondary water reuse pipeline toward Cedar Valley. Some related discussions will continue in closed session.

▪ Melling discussed reuse strategy and challenges, noting that without significant storage, a portion of the water is unusable during winter months. An alternative approach used in Arizona and Nevada was discussed, where recycled water meeting a higher treatment standard is allowed to infiltrate through the ground for recharge and recovery. It was noted that the current plant upgrades largely meet these standards, with only minor operational adjustments potentially needed. This approach could offer a lower-cost option compared to constructing large storage facilities.

▪ Monroe reported that the District has begun discussing this option with Cedar City and is exploring potential policy updates with the State. Staff will continue to follow up with state agencies and stakeholders, including meetings planned at the Colorado River Conference, to better understand applicable policies and pursue possible administrative or legislative changes.

BASIN 14 (PVWS) PROJECT:

a. Discuss, Review & Consider the Joint Response to the Thornton Letter

▪ Monroe said there is a joint response letter from Cedar City, Enoch City, Iron County, the Water Conservancy District, and Kanarraville in response to a letter received from Advocacy for Community and Environment on behalf of Beaver County and other counties. Monroe explained that the letter was prepared to clarify Utah water law and outline the process used to obtain the Pine Valley water rights, while reaffirming that water rights issues are matters under the authority of the State Engineer.

It was reported that the response letter has been approved and signed by Cedar City and Enoch City, has also been signed by the District, and that the County Commission is expected to consider signing the letter at its meeting on Monday.

Board Member Hartley moved to approve the Joint Response to the Thornton Letter. Second by Board Member Melling. Motion Unanimous at 7:27 PM.

b. Update & Consider approval of a Change Order for Eocene Environmental:

▪ Monroe explained the request and the proposed schedule they have with the BLM.

Board Member Hartley approved the Change Order for Eocene Environmental. Second by Board Member Nelson. Motion Unanimous at 7:32 PM. (1:01:27)

GENERAL MANAGER'S REPORT: OPERATIONS & PUBLIC EDUCATION:

- Monroe- He mentioned the new fee that will be brought up in the legislative session in 2026. Christmas party is Dec 11 @ 6:30 pm. The Board Retreat is that morning. The Board said it is weather contingent but planning to have it at Spencer Jones's cabin on Cedar Mountain.
- Public Education – nothing to report.

BOARD MEMBERS REPORT: ▪ Neilson talked about the water advisory committee meeting held talking about the connection points and the process of what to do with Cedar City.

BOARD MEMBER TRAINING: Open Public Meeting Act (OPMA) and Conflict of Interest Training:

▪ Wayment provided a review of the Open Public Meeting Act, noting that the purpose is to provide the public with access to information about government business and to protect citizens from potential overreach. Staff emphasized that the statute has remained largely unchanged for over 20 years and that meetings are intended to be held in publicly accessible locations, with some flexibility for alternate sites.

The discussion also included guidance on conflicts of interest. Staff reminded board members that they are responsible for identifying potential conflicts, particularly in cases involving family or financial interests. An example was shared from prior experience where proper recusal was followed, yet public perception still led to accusations of conflict of interest. Staff emphasized the importance of transparency and caution, noting that conflicts of interest can carry legal consequences.

Board members were encouraged to carefully consider potential conflicts and to declare them when necessary, ensuring that all District business is conducted in accordance with OPMA and ethical standards.

ENGINEERING REPORT: ▪ Nielson said that now that he has Cedar City's plan will see how it affects the District's Water Master Plan.

NEXT MEETING DATE: January 15, 2026

Board Member Melling motioned to close the regular session and go into a closed session for contracts, imminent litigation, or acquiring real property and/or water rights. Second by Board Member Hartley. Motion Unanimous at 8:10 PM.

Roll Call as follows:

Nelson-Aye
Melling-Aye
Hartley-Aye
Harris-Aye

Board Member Hartley motioned to adjourn the closed session and resume the regular session Board Meeting. Second by Board Member Melling. Motion Unanimous at 9:03 PM.

Board Member Hartley motioned to adjourn the regular session Board Meeting. Second by Board Member Melling. Motion Unanimous at 9:03 PM.

Meeting Adjourned at 9:03 PM.

DRAFT