

Cedar Valley Water Conservancy
Board Meeting Minutes
April 16, 2026



Board Members

David Harris
Spencer Jones
Paul Nelson
Andrew McCrea
Steve Nelson
Tyler Melling
Tyler Allred

District Staff

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

Others in Attendance

Linda Hahne – Iron Co Board of Realtors
Locke Hahne – Division of Water Rights
Michael Roman – Stantec
Ryker Ogden – Ensign Engineering

CALL TO ORDER: ▪Board Member Harris called the meeting to order at 6:33 PM. Andrew McCrea led the Pledge of Allegiance. Steve 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 March 26, 2026:

Board Member McCrea moved to approve the minutes from the Board Meeting held March 26, 2026. Second by Board Member S. Nelson. Motion Unanimous at 6:34 PM. (1:48)

PUBLIC COMMENT: ▪ None

CONSIDER APPROVAL OF PAYMENT OF BILLS AND ADJUSTMENTS MARCH 21, 2026 THROUGH APRIL 10, 2026: ▪Williams- highlighted staff completed the full source water sampling for the Eagle Valley project, which is now complete. An invoice from Dorset was also included for SCADA improvements to the Cedar Highlands PRBs and integration into the system. The final payment was made to Phaze Concrete for the Eight Mile Hills tank project marking the completion of that project. The final payment to Shumway was for work completed

on the Eagle Valley Well. The remaining items highlighted related to fleet operations. Jeff has been working to update the vehicle fleet, including the purchase of a new truck for Holden, which had been approved in the budget. The truck was purchased outright for \$52,000 and will be included in the fleet buyback program managed by Jeff. Another fleet item showed how trade-in values helped offset costs, with the addition of the new F-350 resulting in a net cost of approximately \$8,400.

No further questions were raised regarding the expenditures.

Williams went over the Credits & Debits.

Board Member McCrea moved to approve the payment of bills from March 21, 2026 through April 10, 2026. Second by Board Member Melling. Motion Unanimous at 6:39 PM. (6:15)

REVIEW 2026 FINANCIALS: ▪ Monroe – reviewed the operational budget and noted that the Conservancy is approximately one-third through the fiscal year. Overall spending is in line with expectations, with no unusual variances at this time. One item highlighted was the increase in prior-year property tax revenue received this year due to delayed payments from the previous year. On the capital budget, he noted that approximately \$809,000 has been spent on the water improvement project to date. The autos and trucks budget line was also discussed. Of the \$130,000 budgeted, approximately \$129,000 has already been spent, primarily for the purchase of new trucks. Trade-in credits for the replaced vehicles will offset some of those costs on the operational side of the budget. Monroe also reviewed the Conservancy’s cash position and highlighted the \$5 million account at Cache Valley Bank. During the water improvement project, the Conservancy funded several major construction expenses using its own cash reserves instead of drawing immediately from interim financing loans. After refinancing the 2005 and 2008 Drinking Water loans and later closing on the USDA loan, the Conservancy was able to replenish cash reserves and place the additional funds into a high-interest account. Total cash on hand has increased significantly as a result of those efforts. He went over the remaining balance of loan and grant funds associated with the water improvement project. He explained that USDA requires loan funds to be spent first before grant funds can be used. Approximately \$2.8 million remains available for upcoming well projects, which are expected to go out for bid with approvals anticipated next month. He noted that the additional \$5 million reserve could be used for future well development or other board-directed projects if needed.

No additional questions or comments were made regarding the financial statements. **(12:17)**

WATER CONSERVATION: UPDATE, DISCUSSION:

- a. Aquifer Recharge: Update & Discussion: Monroe reported limited recharge activity this year due to irrigation demand increasing with warmer weather. Quichapa Reservoir is approximately half full, with an estimated 100 to 150 acre-feet expected to be delivered

to Craig Jones's farm. Staff noted similar deliveries in 2023 supported the farm through the irrigation season.

The board discussed settling basins recently constructed by the irrigation company near Coal Creek. Staff clarified the basins were built for sediment control and flow regulation, not groundwater recharge, despite some public confusion after one basin quickly saturated.

Board members emphasized the importance of water storage and recharge projects, particularly during dry years.

- b. Reuse WWTP Water: Update, Review, Discuss & Consider approving a letter of intent for a ROW with the Clarks.

Board Member S. Nelson made a motion to approve the letter of intent for a ROW with the Clarks with the changes that we see fit. Second by Board Member Jones. Motion Unanimous at 8:31 PM.

Roll Call as follows:

Harris-Aye

Jones - Aye

P. Nelson-Aye

McCrea – Aye

S. Nelson - Aye

Melling-Aye

Allred-Aye

WATER IMPROVEMENT PROJECT:

■Basin 71 Well and Waterline & BZI Innovation Park Well – Nielson reported that USDA authorization has been received to move forward with the well projects following the recent Cedar Highlands substantial completion review. The projects will now move to bidding, with advertisements, pre-bid meetings, and bid openings scheduled over the next month. State approvals are complete, and drilling can begin once bids are awarded. Staff noted the well equipping phase will require a separate approval process through the State and USDA.

Staff also updated the board on the replacement Eagle Valley well, drilled after the previous well failed last fall. Test pumping showed a safe yield of approximately 250 gallons per minute, exceeding expectations. Bids for equipping the well are being obtained, and final plan approvals are underway.

BASIN 14 (PVWS) PROJECT:

▪Monroe – reported that the primary update on the Basin 14 project involves ongoing litigation, which will be discussed in closed session. Aside from the litigation, planning and engineering work continues to move forward, and staff expressed confidence in the project’s progress and future benefit to the community.

(21:00)

GENERAL MANAGER'S REPORT: OPERATIONS & PUBLIC EDUCATION:

▪Public Education – Monroe reported that the annual 5th Grade Water Fair was recently completed, with nearly 1,000 students participating. The event included support from several state and local agencies and featured hands-on educational activities focused on water, irrigation, watersheds, and science. He expressed appreciation to all employees, volunteers, and community partners who helped make the event successful.

▪Monroe also encouraged continued public education efforts regarding water issues and ongoing discussions surrounding Pine Valley, emphasizing the importance of sharing accurate information with the community. Monroe discussed recent meetings with representatives from proposed data center projects that have identified the Conservancy as a potential water supplier. Discussions remain preliminary and are focused on understanding projected water demands. Developers indicated the facilities would require approximately 20 acre-feet of water annually during construction and about 8 acre-feet annually once operational. He also reviewed water use data from existing data centers in northern Utah, which showed lower-than-expected water consumption due to newer closed-loop cooling systems. Monroe emphasized that any commercial or industrial user would remain subject to the Conservancy’s water allotment policies and usage regulations. He also reported they are working with local economic development officials to develop a metric for evaluating future industrial water users and comparing projected water demands across industries. The board emphasized the importance of providing accurate public information and remaining responsible stewards of local water resources.

▪Operations – nothing to report

BOARD MEMBERS REPORT: ▪ Harris reported that Enoch City is considering adjustments to its water rate structure. The proposal would keep base rates largely unchanged while reducing the amount of water allowed before higher usage rates apply, with the goal of encouraging conservation and generating additional revenue for future well development. ▪Allred Kanarra raised the base rate but looking at changing the tiers.

ENGINEERING REPORT: ▪Nielson –discussed increasing emphasis from state and federal funding agencies on water rate structures as part of project funding eligibility. Agencies are closely reviewing whether utilities have tiered rate structures that encourage conservation and whether rates are sufficient to support long-term system operations and maintenance. He reported that the Conservancy’s current average monthly water bill is approximately \$50, which remains below the state affordability threshold of 1.75% of median adjusted gross income. Based on current financial analysis, staff proposed considering annual rate increases of approximately 5% over the next five years to address rising operational costs, maintain infrastructure, and

position the Conservancy more favorably for future grant and loan funding opportunities. The board discussed balancing water rates, conservation goals, operational costs, and development-related impact fees. Staff noted that the proposal would be included in the upcoming master plan and reviewed annually, allowing adjustments as needed. Board members also discussed the importance of tiered rate structures in encouraging conservation while minimizing impacts on lower-use and fixed-income residents. Nielson also noted that funding agencies have shifted greater focus toward sustainable water rate structures in recent years, in addition to impact fees and other revenue sources.

▪Nielson reviewed ongoing master planning efforts related to basin water quality, source development, and long-term water reliability. Working with Andy and Ryker they developed mapping and ranking criteria to identify the most practical areas for future water development based on water quality, infrastructure, production potential, and cost. The board discussed how water rates, impact fees, conservation measures, and level-of-service standards should work together to address future infrastructure needs and peak water demand. Discussion also included potential incentives for conservation-focused developments and reduced outdoor water use. It was noted that most larger developments are already utilizing conservation-based water requirements, while many individual rural residential users continue to purchase full acre-foot water rights allocations.

▪Nielson discussed increasing development activity in the southern portion of the service area and the growing interest in connecting to existing water infrastructure rather than creating private systems. A recent developer considering a 20-lot subdivision ultimately expressed interest in connecting to the Vandenberg system after evaluating the operational challenges of maintaining a private water system. Board members also discussed several larger proposed developments and commercial projects planned for the corridor near the Washington County line, noting that significant growth is expected in the area over the coming years. The board reviewed the Conservancy's jurisdiction and existing water service obligations in the area, including previously issued will-serve commitments for large master-planned developments. Staff was directed to include potential infrastructure and service alternatives for the area in the upcoming master plan so the board can evaluate future options and long-term water needs.

NEXT MEETING DATE: May 28, 2026 @ 5:00 PM (May Meeting Conflicts-graduation)

Board Member S. Nelson 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 McCrea. Motion Unanimous at 7:51 PM.

Roll Call as follows:

Harris-Aye

Jones - Aye

P. Nelson-Aye

McCrea – Aye

S. Nelson - Aye

Melling-Aye

Allred-Aye

Board Member S. Nelson motioned to adjourn the closed session and resume the regular session Board Meeting. Second by Board Member Jones. Motion Unanimous at 8:31 PM.

Board Member S. Nelson motioned to adjourn the regular session Board Meeting. Second by Board Member Melling. Motion Unanimous at 8:31 PM.

Meeting Adjourned at 8:31 PM.