

Cedar Valley Water Conservancy
Board Meeting Minutes
May 28, 2026



Board Members

David Harris
Spencer Jones
Paul Nelson
Andrew McCrea
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

Michael Roman – Stantec
Erin Pflueger – Water Works Engineers
Nichele Phillips
Susan Hodson
Bob Tuckett – Mid Valley Water
Ryker Ogden – Ensign Engineering

CALL TO ORDER: ▪Board Member Harris called the meeting to order at 5:01 PM. Paul Nelson led the Pledge of Allegiance. Spencer Jones offered the invocation.

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

CONSIDER APPROVAL OF MINUTES FROM THE BOARD MEETING HELD April 16, 2026:

Board Member McCrea moved to approve the minutes from the Board Meeting held March 26, 2026. Second by Board Member Allred. Motion Unanimous at 5:03 PM. (2:16)

PUBLIC COMMENT: ▪ None

CONSIDER APPROVAL OF PAYMENT OF BILLS AND ADJUSTMENTS APRIL 11, 2026 THROUGH MAY 22, 2026: ▪Williams- highlighted the previously approved \$9,400 contribution toward the effluent reuse study included in Cedar City’s report. Staff also highlighted the sponsorship of a Rotary event as a positive opportunity to promote the

Conservancy's new name and community involvement. On page two, Williams reviewed the payment to Forsgren for the solar-powered PRVs and SCADA improvements associated with the Cedar Highlands water improvement project. She also discussed the large payment to Dorsey & Whitney shown on page three related to the Basin 14 project. It was noted that although the legal expenses were significant, the work was necessary to protect the Conservancy's interests and ultimately resulted in a favorable outcome. On page four was the purchase of new checks and an endorsement stamp, which were paid directly from the Conservancy's checking account. On page five she talked about the payment for the public hearing notice and explained that some expenses appeared higher this month because multiple billing periods were included due to the timing of recent board meetings. Williams also clarified the payment to The Data Center, formerly known as The Mailing Center, which handles the Conservancy's monthly utility bill processing and mailing services. The service remains a cost-effective option and provides required identification features not currently available through the Conservancy's system. Additionally, she explained the "audit cleanup transaction" listed on page two related to Dell Marketing. This item stemmed from an old server replacement transaction that had remained on the books for several years due to a payment dispute. While preparing for the audit, Polaris assisted in removing the item from the Conservancy's records after confirming the balance had already been resolved. Staff noted that supporting documentation is available if needed.

No further questions were raised regarding the payment approvals.

Williams went over the Credits & Debits.

Board Member McCrea moved to approve the payment of bills from April 11, 2026 through May 22, 2026. Second by Board Member P. Nelson. Motion Unanimous at 5:10 PM. (8:40)

REVIEW 2026 FINANCIALS: ▪ Monroe –reviewed the operational budget and noted the Conservancy is approximately 41% through the fiscal year. Board members had previously received the budget for review, and he invited questions on any items of concern. He highlighted the capital projects section on page three, including the current status of the Basin 14 project and related expenditures. Discussion followed regarding legal expenses associated with the project. He explained that while the exact costs were unknown during budget preparation, the Conservancy anticipated potential litigation as part of the environmental review process and included contingency funds within the 2026 budget to help cover unexpected expenses. He also reviewed the Water Improvement Project and provided an update on expenditures to date. On page four, Monroe reviewed the Conservancy's cash balances and accounts. It was noted that a \$500,000 payment to Cedar City had recently been approved as part of the wastewater reuse project. The payment is tied to an ARPA grant reimbursement process in which the Conservancy must first expend the funds before reimbursement is received through the Division of Drinking Water. He explained that the Conservancy, along with Enoch City, has contributed funding toward the first phase of the reuse project. Several grant awards supporting the project were highlighted, including funding secured through state and federal appropriations. It was noted that the combined grant funding currently totals approximately \$7.25 million, with an additional \$3.25 million appropriation being pursued. If secured, the funding would fully

cover the infrastructure needed to deliver recycled water to parks, golf courses, cemeteries, SUU, and other irrigated green spaces. The Board expressed appreciation for the Conservancy's success in securing grant funding for the project. Monroe also noted that the auditors recently completed their work and offered to present the full audit report to the Board at an upcoming meeting, which the Board agreed would be beneficial. (13:39)

REVIEW PROPOSED RATES AND FEES & PROPOSED IMPACT FEE ANALYSIS:

- Nielson reviewed the impact fee analysis and discussed the methodology used in the study. He explained that, based on comments from the previous meeting, they revisited the analysis and evaluated both the cost recovery and equity buy-in approaches.

He discussed adding a three-quarter-inch meter category, noting that many other jurisdictions use five-eighths or three-quarter-inch meters rather than the Conservancy's current one-inch standard. Nielson explained that larger meter fees are prorated based on flow capacity.

The Board requested a comparison of current and proposed meter rates for further review before taking action. Staff agreed to email the information to Board members and provide copies of the master plan, impact fee facilities plan, and water rate analysis.

- Monroe also reviewed the proposed water rate adjustments ahead of the upcoming public hearing. He explained the proposal includes a general 5% increase to most rates and fees, a 10% increase for Tier 3 usage, and a 50% increase for Tier 7 usage.

He explained that the rate structure is based on a one-acre-foot allocation model, with water allowances adjusted proportionally based on the amount of water rights dedicated.

Discussion also focused on conservation pricing and higher usage tiers. Staff noted that only a small percentage of users typically reach the highest tiers, but those customers account for a significant portion of overall water use and system demand.

No additional questions were raised regarding the proposed rate adjustments.

Board Member P. Nelson motioned to close the regular meeting and go into a Public Hearing. Second by Board Member McCrea. Motion Unanimous at 5:39 PM.

Roll Call as follows:

Harris-Aye

Jones - Aye

P. Nelson-Aye

McCrea – Aye

Melling-Aye

Allred-Aye

- Harris opened the floor for public comment regarding the proposed water rates and impact fees. Bob Tuckett from Mid Valley Estates Water Company asked whether the proposed rate increases would apply to the company's existing supplemental water agreement with the Conservancy.

- Monroe confirmed that the agreement is tied to the Conservancy's adopted bulk water rates, meaning the proposed 5% increase would apply if approved.

Monroe explained that the agreement is structured as a take-or-pay contract, with Mid Valley Estates Water Company paying for a minimum water allocation regardless of usage, along with additional charges for excess use. Questions were also raised about when the rate increase would take effect. It was noted that the increase would likely be implemented after the required notice period and following formal approval.

The board reviewed the history of the agreement, noting that bulk water rates have increased several times since the contract was signed in 2009, rising from approximately \$0.45 per 1,000 gallons to the current rate of \$2.01 per 1,000 gallons. The proposed increase would raise the rate to approximately \$2.11 per 1,000 gallons.

Additional discussion focused on conservation efforts, metering, and ongoing tiered billing updates. The Mid Valley Estates Water Company representative noted that all users within their system are individually metered and that the company has implemented modern radio-read meter technology to help manage water use and conservation.

No further public comments were made, and the public hearing was closed.

Board Member McCrea made a motion to close the Public Hearing on the Proposed Rates and Fees & Proposed Impact Fee Analysis and Reopen the regular board meeting. Second by Board Member P. Nelson. Motion Unanimous at 5:45 PM.

Board Member McCrea made a motion to table the Approval of the Proposed Water Rate Increase to Fees & Rates & Impact Fees until the June 18, 2026 meeting. Second by Board Member Allred. Motion Unanimous at 5:46 PM.

WATER CONSERVATION: UPDATE, DISCUSSION:

- a. Aquifer Recharge: Update & Discussion: •Monroe provided a brief water conservation and recharge update. He reported that pumps at the Quichapa recharge site were shut off earlier in the week after operating since early March. The Jones pivots near Quichapa had also been running since mid-March using water delivered from Quichapa. He noted the project resulted in significant water savings, estimated at several hundred acre-feet. Operations were shut down due to dry conditions unless additional rainfall is received.

- b. Reuse WWTP Water: Update & Discussion: Monroe provided an update on the wastewater reuse project and ongoing grant efforts. Coordination continues with Cedar City, and Congresswoman Celeste Maloy recently toured the reuse facility. He reported that Phase 2 of the project will include construction of the pump station and installation of a 36-inch pipeline to the 2300 area. Engineering and design work are underway, with bidding and initial construction anticipated later this year. SUU engineering representatives are also involved in the planning process. The Board discussed pipeline

capacity, construction logistics, equipment availability, and possible spillway improvements related to the project.

Spencer Jones left the meeting at 5:52 PM

WATER IMPROVEMENT PROJECT:

▪Basin 71 Well and Waterline – ▪Monroe updated the board on the Water Improvement Project, including the final phase involving the Iron Springs and BZI wells. Previous phases included transmission lines, the 4000 North and 6000 North loop connections, and the Eight Mile Hill/Cedar Highlands tank project.

▪Nielson reported that six bids were received for the Iron Springs Well project, with Cluff Drilling and Pump identified as the apparent low bidder at \$755,210. He noted that Ensign previously had a positive experience working with the company. The new well is planned as a 24-inch bore with an 18-inch casing and an estimated depth of approximately 1,000 feet. The site has been prepared for construction. The Board also discussed well equipping, chlorination requirements, and construction of a wet well system to meet treatment standards and support future growth along Iron Springs Road.

Board Member Melling made a motion to approve Cluff Drilling and Pump to construct the Iron Springs Well for \$755,210. Second by Board Member McCrea. Motion Unanimous at 6:04 PM. (1:03:07)

▪BZI Innovation Park Well - ▪Nielson reviewed the bid for the BIZ Well project. Energy Services submitted a bid of \$768,581, which was very close to Cluff Drilling and Pump's bid. He noted both companies are well known to each other and have a strong reputation, and Ensign has had positive experience working with both contractors. He explained that Cluff Drilling later indicated they could have reduced mobilization costs had they anticipated being awarded both projects, but changes could not be made after bids were submitted. The engineer's estimate for the projects was approximately \$750,000, and he noted the bids received were generally in line with expectations. One bid was significantly higher than the others. Nielson also noted that some bidders were based out of state, while the remaining contractors were Utah-based.

Board Member Melling made a motion to approve Energy Services to construct the BZI Innovation Park Well for \$768,581. Second by Board Member McCrea. Motion Unanimous at 6:08 PM. (1:07:10)

BASIN 14 (PVWS) PROJECT:

▪Monroe – provided a legal update on the Pine Valley Water Supply Project. Three entities had appealed the BLM's right-of-way grant through the Interior Board of Land Appeals (IBLA) and requested a stay to halt the project. He reported that the IBLA denied all three requests, finding the parties failed to demonstrate irreparable harm. He also noted that Beaver County's attempt to submit additional arguments and evidence after its original filing was rejected by the IBLA. An additional update was provided that all three entities have since withdrawn their appeals from the IBLA process. Monroe noted this is a positive indication that the project followed the

required BLM and NEPA processes, though future legal challenges through the court system remain possible. Board discussion included questions regarding coordination between the various entities involved in the appeals process and the possibility of future litigation.

▪Consider the approval of a Change Order for Eocene: ▪Monroe reviewed a proposed change order for EOC, the environmental consultant for the Pine Valley Water Supply Project. The additional work was related to responding to agency comments, questions on the draft EIS, and preparation of the administrative record. He explained the change order primarily covered additional staff time and ongoing support related to the environmental review and mitigation process.

Board Member McCrea made a motion to approve the change order for Eocene Environmental. Second by Board Member P. Nelson. Motion Unanimous at 6:15 PM. (1:13:53)

▪The Board considered approval of a contract with Formation Environmental to continue serving as a consultant for the Conservancy.

Monroe explained the agreement would allow Formation Environmental to provide services on an as-needed, hourly basis, with billable rates outlined in the contract. The Board noted the contract is intended to maintain continuity of environmental consulting support as needed for ongoing projects.

Board Member McCrea made a motion to approve the contract with Formation Environmental. Second by Board Member Allred. Motion Unanimous at 6:16 PM. (1:15:37)

▪ROW for BLM – Monroe presented options related to BLM right-of-way grants for the Pine Valley Water Supply Project. The grant requires payment for a 30-year right-of-way over approximately 300 acres, with costs estimated at about \$28,000 per year and subject to annual increases. Three payment options were discussed: annual payments, 10-year prepayment, or a 30-year prepayment. He noted the estimated costs of approximately \$300,000 for 10 years and \$860,000+ for 30 years. Discussion included whether long-term prepayment provides meaningful savings and concerns about future rate increases and refund eligibility if the right-of-way is not fully used. Board members expressed concern over committing a large upfront payment given uncertainty around future use and potential policy changes. After discussion, the consensus was to proceed with the annual payment option for now, with the option to revisit a longer-term buyout in the future if it becomes more cost-effective or necessary.

Board Member Melling made a motion to approve the initial prorated amount for 2026 to the Bureau of Land Management Right of Way for \$16,447.81. Second by Board Member McCrea. Motion Unanimous at 6:24 PM. (1:23:19)

GENERAL MANAGER'S REPORT: OPERATIONS & PUBLIC EDUCATION:

▪Public Education – Hard copies of the updated Master Plan and Impact Fee Facilities Plan were distributed for Board review. Monroe thanked Ryker Ogden with Ensign Engineering for preparing the materials and noted the copies would allow Board members to review the information in greater detail outside of the meeting. Monroe also announced that the Water Festival will be held June 27 at Main Street Park. Cedar City and Enoch City are participating as key partners and sponsors. He noted both cities plan to showcase their updated metering and billing systems, including leak detection features designed to improve conservation awareness and customer notification.

▪Operations – nothing to report

BOARD MEMBERS REPORT: ▪ None

ENGINEERING REPORT: ▪None

NEXT MEETING DATE: June 18, 2026

Board Member McCrea 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 Melling. Motion Unanimous at 6:28 PM.

Roll Call as follows:

Harris-Aye

P. Nelson-Aye

McCrea – Aye

Melling-Aye

Allred-Aye

Board Member Melling motioned to adjourn the closed session and resume the regular session Board Meeting. Second by Board Member McCrea. Motion Unanimous at 6:45 PM.

Board Member Allred motioned to adjourn the regular session Board Meeting. Second by Board Member Melling. Motion Unanimous at 6:45 PM.

Meeting Adjourned at 6:45 PM.