

MINUTES
ENOCH CITY WATER BOARD
May 9, 2019 at 4:30pm
City Council Chambers
City Offices, 900 E. Midvalley Road

MEMBERS PRESENT: Alan Miller, Doug Grimshaw, Spencer Jones and Larry Gardner. Steve Woolsey was absent.

STAFF PRESENT: Rob Dotson, Julie Watson, Earl Gibson and Council Member Harris

PUBLIC PRESENT: Ethan Ison

1. **CALL TO ORDER OF REGULAR MEETING-**By Chairman Gardner at 4:30pm.
 - a. **Pledge of Allegiance** –Led by Doug Grimshaw
 - b. **Invocation** –Audience invited to participate. Given by Chairman Gardner
 - c. **Approval of agenda for May 9, 2019 –Doug Grimshaw made a motion to approve the agenda. Motion was seconded by Alan Miller and all voted in favor.**
 - d. **Approval of minutes for April 11, 2018- Chairman Gardner made motion to approve the minutes with minor corrections noted. Motion was seconded by Doug Grimshaw and all voted in favor.**
 - e. **Conflict of Interest Declaration-**Spencer Jones said he is on the Conservancy District Board and is involved with west desert water.

2. **REVIEW AND MAKE RECOMMENDATION TO THE CITY COUNCIL ON PRIMARY WATER TECHNOLOGY PROPOSAL**

City Manager Dotson explained the proposal in the packet saying it was presented to the Conservancy District. He noted we have done business with this firm before at no cost to Enoch City and had good results. He told about their record, credentials and that have done this work all over the world. He explained this type of technology is used to find oil and gas but they have proprietary equipment for finding water in areas where they find softer rock formations. One example is where they tested at Ravine Well and now we are deepening it because of their data. Some concerns brought up were if this should be bid out to other companies through the State required policy. City Manager Dotson showed pictures of the graphs and gave more details of the process. The proposal for the whole Cedar valley area is \$48,000 to do the testing, mapping and travel costs. Enoch City does have funding for engineering that is not planned to be spent this year so we could participate in this. City Manager Dotson said he went to the Conservancy District meeting and proposed we participate. It was decided that Paul Monroe and he would head up this conversation with Cedar City and the County to get their participation.

There were concerns expressed by the Water Board such as if “new” water was found would it be recognized by the State Engineer. Would the data belong to us or would they drill the wells and sell us the water? We would want to own the data and drill the wells ourselves. There are different beliefs about how water is found and where it is located so there was skepticism expressed. It was noted this discussion is for the input from the Water Board as a recommendation to the City Council to take part in this expenditure of funds to find new water.

More opinions were expressed and it was agreed we want to own the data and then we want to drill and own the wells. Spencer said if we move forward they can’t have proprietary files on this nor can they drill the wells and then sell the water to us by the gallon. That would not be acceptable. City Manager Dotson said he has not talked to Cedar City yet. There are phases of

what they do normally and this is phase one. They have a bigger project in mind and that could be a concern on who owns the water. City Manager Dotson said they are coming to help us find water. Doug said if we pay the bill it is our data. There was more discussion of their work at Ravine Well. Earl gave input on some problems at the new BLM well and the huge voids that were found when drilling. This technology may identify voids but is there water in there? There are no guarantees but there is a good track record from this company. Doug said their thinking is to tap into sources different than we use now and what is adjudicated now. City Manager Dotson confirmed that is what they do. Alan said he has concerns about what the Division of Water Resources would think of this. There would be isotope testing and we would have to prove the impact on everything around it. City Manager Dotson said we know of wells being pumped that don't impact other wells. We had this company test that site. If you can't access water through the same aquifer is it "new" water because it does not impact others. The State Engineer says there is no new water. Until new data is acquired they go by the old data. Primary Water Technologies (PWR) says the potential is they can and have found water that is in different aquifers than are in use currently in other areas of the country.

There was more discussion of local water and water being found by Pine Valley. It was noted there are lawsuits going on. City Manager Dotson said he found in discussing this that everybody seems to know exactly how the crust of the earth works and where water should be. There are a lot of theories out there. The only way is to test it. Why not look? PWR wants to do the whole area and are quoting that in their bid. City Manager Dotson said he told the Conservancy District we have the funds and could participate. The Conservancy District assigned City Manager Dotson and Paul Monroe to talk to Cedar City to see if they would go in on funding the project. We have worked with Mark Burr of PWR and we had a good experience. The City Council does not need to approve this because we have funding allocated but it is better if we all work together on this. Tonight we are asking what the Water Board is recommending on this bid. Alan said he thinks there may be concerns with public financing and bidding that are valid. He asked what other agencies think about this like USGS.

Spencer said he thinks we should open it up and follow statutes on bidding projects. City Manager Dotson said PWR said they would give us the information and we would deal with it. Doug asked if their technology is proprietary and City Manager Dotson confirmed this is different equipment that is proprietary for water. Oil and gas equipment is different. The Conservancy District said they would do the RFP. Spencer said he thinks it would be good to revisit this after we test pump Ravine Well using their data and adding at some point it comes down to isotope testing which would be essential. He did say we could use this to convince the State Engineer there is new water and to date the age of the water by isotope testing.

Chairman Gardner asked would this make us try to get new rights if we find something or are we fine with the water we have. He said he is all for "new" water but not sure we want to battle the State to get new rights for this. City Manager Dotson said it would be a question for the State based on good data and the other participants in the project. The State has the oversight over all the water. The may be a non-issue, Chairman Gardner said. We have adequate water to meet our needs but the future requires more water. He asked the Water Board if they want to make a recommendation to the City Council or not. He recommends if others come in financially then it would be ok to participate. If other entities will not go in on this then don't do it. It would be easier to defend if this is a cooperative deal and we know our portion of the cost. City Manager Dotson noted he is sold on this technology. He has seen it in action. Alan said he would like to see more participation by the Division of Water Resources and that this would be a better "buy in" if more are participating in it.

Spencer made a motion to make a recommendation to the City Council to consider this type of technology and to follow the procurement process and only proceed if the City

Council feels there is a cooperative effort of other entities and also recommends reaching out to USGS as well as Cedar City. Doug seconded motion and all voted in favor.

3. DISCUSS 2019 WATER LEGISLATION (HB-0031)

City Manager Dotson summarized HB-0031 at Chairman Gardner's request. City Manager Dotson said this was resolution to put it on the ballot to change the Constitution of the State. Currently a municipality can't dispose of, sell or divest itself of water rights or water systems. Basically we can't get rid of our water and can only trade it. In conjunction with that we can sell water outside of our City boundaries. Example of that are the Little Eden and Sheridan Hills Subdivisions and a few others that buy water from us. We own the pipes. This bill would change it so we no longer have City boundaries as the service area. We can designate a new service area. We have to allow, within certain parameters, customers to have a say in rates. Also we would have to give the State a map every year. This is similar to an annexation boundary declaration line where we can provide services. You have to pay to get it to you but we can do it.

Spencer said in times of scarcity we can cut off water to people outside of the boundaries. With the new boundary lines in this bill we can't cut them off. City Manager Dotson said we can classify areas with certain reasons to reduce their usage. It also gives power to those out of the City in the service area that they can have a say on rates and be members of advisory boards. He went through some line items. One question from the Utah League of Cities and Towns (ULCT) was in regard to small cities. Why are we giving power to those who don't want to annex into the City but want the services? If you want service, you should annex into the City. It was noted this takes effect January 1, 2021 if the amendment passes the Legislature and is approved by voters. This also impacts rate structures and impact fees.

City Manager Dotson gave some examples of applications of this adding there is a lot of risk there. Currently those we serve do not impact us much at all. Potentially this could make a bigger impact. City Manager Dotson explained the new law about secondary water metering. City Manager Dotson gave some examples of up north where metering reduced consumption where it has been implemented. There was more discussion of the difficulties in metering unfiltered water. He said Parowan estimated it would cost them ten million to do that. Unfiltered water voids the warranty on meters. Most small cities in this area would be heavily impacted by this, as yet, unfunded mandate. The Legislature changed the law to give time and funds for some of this cost. There was more discussion of possible funding mechanisms. More surface water coming into the City will be an added issue of metering it at some future time. Filtering is an issue. It was noted this is just an update. No action was taken.

4. DISCUSS WEST DESERT WATER SUBSCRIPTION

City Manager Dotson said Council Member Harris and Spencer Jones can speak to this better because they sit on Water Conservancy District Board. In his conversations with Paul Monroe they are developing an RFP to find a firm to help with financial planning for funding getting this water to our valley for use. We need to put some money where our mouth is. Enoch would subscribe for so many acre feet and start sooner than later to help pay to bring the water here. It was noted that perhaps a fee of \$2 per month per user could be an option. Construction may start in 11 to 13 years or less, Spencer said. This is just an update to be thinking about as a Water Board for a future recommendation. Other suggestions were thrown out for funding. Spencer said another option he sees is property taxes or user fees. The City Council would have to commit to that. We have committed to participate but no funding options are in that commitment. Spencer said for another agenda, he has a chart of the schedule and we are on schedule to do this in less than 13 years. The EIS is ongoing. Because we are a smaller city we

may be able to get CIB funds. No construction costs are known right now. We need to start preparing to fund this. More information will be coming. No action was taken.

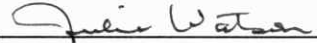
5. PUBLIC COMMENTS-none

6. BOARD/STAFF REPORTS

Council Member Harris said the City Council approved the Impact Fee Facilities Study and the new water impact fee which is lower than is now charged.

Earl Gibson gave an update on the condition of our wells and various problems they are tackling.

7. ADJOURN-Motion to adjourn by Spencer Jones. Motion was seconded by Alan Miller and all voted in favor. The meeting ended at 6:00 pm.

	<u>7-11-19</u>
Julie Watson, Recorder	Date