

MINUTES
ENOCH CITY WATER BOARD
August 8, 2019 at 4:30pm
City Council Chambers
City Offices, 900 E. Midvalley Road

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

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

PUBLIC PRESENT: none

1. **CALL TO ORDER OF REGULAR MEETING**-By Chairman Gardner at 4:30 pm.
 - a. **Pledge of Allegiance** –Led by Steve Woolsey
 - b. **Invocation** –Audience invited to participate. Given by Earl Gibson
 - c. **Approval of agenda for August 8, 2019**–Alan Miller made a motion to approve the agenda. Motion was seconded by Spencer Jones and all voted in favor.
 - d. **Approval of minutes for July 11, 2019**- Doug Grimshaw made a motion to approve the minutes. Motion was seconded by Chairman Gardner and all voted in favor except Spencer Jones and Alan Miller who were absent for that meeting.
 - e. **Conflict of Interest Declaration**-none stated

2. **DISCUSS WATER RATE STRUCTURE OPTIONS**

City Manager Dotson showed the Water Capital Facilities Plan done this year and showing our current rates. \$29 is the base fee for 30,000 gallons of water. He explained the tiered rate structure. The Sunrise Engineering added some possible changes to the rate structure for 1” meters which are the majority. In the packet is a version of rates Aly did. She took every account we have which is 2,154 connections. City Manager Dotson did a random sample of those. He gave more details. Most use the minimum in January. He told about the various options shown on the attached chart.

Alan asked the purpose of the rate change. City Manager Dotson said the purpose is we have cheap water. We have people using lots of water and are unaware of it. Some people don’t conserve because there is no incentive to conserve. There are two ways to motivate people. One way is paying a lot of money and the other way is knowing what the neighbors are using. He cited the charts Dominion Energy sends out periodically to compare you to your neighbor’s usage. That seems to motivate people more than money. One concern is our rate structure has not changed for at least 16 to 18 years. We are dependent on new growth to obtain more revenue. We can’t lose money. The water company is a business. Aly prepared a chart with three rate structures which is attached. The Water Board went through the different options. It was noted this information was gathered and created through our software billing system Pelorus. Alan noted he had used Master Meter in the past to do similar comparisons. He noted if we don’t make money we have less money to maintain what we have. That is an issue. City manager Dotson said we are showing you the three options based on the actual usage and actual rate structures. The bottom line is the total for the homes for the month. The biggest users are schools, churches and the City parks and cemetery. . City Manager Dotson said there are 14 to 20 of the biggest users that use 40% of the water. Alan suggested changing the rates for institutional users. Spencer noted there is only 7,000 gallons difference between January and June for residential use. City

Manager Dotson said Aly is working another comparison using Cedar City, Parowan and the Conservancy District rates.

There was discussion of electric costs for pumping. The Water Board worked some numbers and came up with approximately 51 cents per 1000 gallons. City Manager Dotson said we have a 2014 spread sheet that our former Treasurer Dan Jessen created. He looked at all wells and calculated cost per kilowatt hour. He calculated well use and when with demand charge was hitting us and we were able to change some of our pumping times to save money. Earl said the readings at well houses are recorded and we read meters at the wells. We know the hours each well ran. Alan said SCADA differs from real readings. If read every day it can alert to problems coming. There were more details of that study discussed.

Chairman Gardner asked what they want from the Water Board tonight. City Manager Dotson said he wants their input. We are not asking for a recommendation to the City Council yet. Steve asked to review the CFP figures again which City Manager Dotson did. The options were reviewed again. The thought seemed to run that if your behavior changes it is a small impact. In the winter we make it up. Alan suggested we drop the base amount of gallons given. Most understand they will go up in the summer if they keep a green yard. Earl said what we charge now pays the bills. This is a business and we have to have a surplus to cover costs. We fund appreciation by impact fees. We are really frugal and always have been. It is not politically acceptable to make a lot of money. Alan said whatever we do the unintended consequence is people trying to find out what happened to their bill. There is a large educational component to this City Manager Dotson said. This is why and what it looks like for you. Doug said the tier above the base rate is the problem at 40 cents per 1000 gallons.

"If it ain't broke don't fix it." Doug suggested bumping the next tier up because people accept that. Leave the base the same and bump the tiers up. Leaving the base the same is less complicated. There was more discussion of other options and that pushing conservation or not is an option to look at. We could paint ourselves into a corner on covering costs. Are we paying the true cost of the water? Do we have legal obligation to provide the 1 AF of water? City Manager Dotson said we not liable regarding giving the full AF of water but it is fine to justify the use of the one AF given which is the 30,000 per month allotment. Those who use more pay for it. It was noted it has always been City policy to require the larger lots until very recently when the R-1-11 zone was created. There was the comparison made of "green thumbs" vs. conservation. City Manager Dotson said changing the tiers is a bit more work. Not many go over but it amounts to \$350,000 a year. Alan said given of what we have discussed he would offer a separate rate structure. He suggests before we adopt anything we should run more analysis in how this factors in past usages and adjust to impact the fewest people with indoor use. An education campaign and with some active conservation concepts could help. He suggested some figures and also suggested setting up a conservation fund with the excess fees charged to offset maintenance.

There was brief discussion of irrigation wells. City properties do not pay a water bill but we know the usage, City Manager Dotson said. He added we have talked about billing ourselves every budget year. Spencer said he would like to know what the non-residential users like schools are paying. We should look at those rates. City Manager Dotson said we are analyzing that now. He gave details about the parks and cemetery usage for 2018. That usage is a good reason to acquire the Enoch Road well for watering at Old Enoch Park.

Chairman Gardner asked if more discussion or to move on. He recapped saying it sounds like we may want to reduce allocation or try to find a sweet spot or push for more conservation; whatever the City Council can stomach politically. City Manager Dotson said he would bring more information to the next meeting and we will continue the discussion. No action was taken.

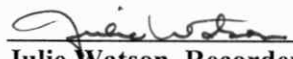
3. PUBLIC COMMENTS-none

4. BOARD/STAFF REPORTS

Council Member Harris said the City Council took the recommendation to do more analysis on certain wells and start negotiations for acquiring wells. They will work on the three wells the Water Board recommended and they added the Bluebird well. The owners of the Bluebird well were in attendance at the City Council meeting and expressed interest in talking about selling it to the City. Having a motivated seller is a good place to start. The water rights are from 1963 in the Bluebird well. The rights have not been used and they can't move the rights or do anything with them. We, as a City, can start the well up and put it into our system and do something with it and help prove up on the water rights.

City Manager Dotson said we plan to test the Bluebird and Little Eden wells. They haven't been used for years. We will be talking to the owners of the Lamb well and the Enoch Road wells to possibly acquire them. He showed a draft of the Groundwater Management Plan (GMP) that we sent to the State with our suggestions. This is what came out of that draft in a meeting yesterday. Spencer added they finalized everything. The public meeting will be at 6:30 on the 15th of October at the Heritage Center. There was considerable discussion of "line" at Hwy. 56 and proposals to take it out but we want to keep that in to protect our water on the north side Spencer said. Cedar has wells that are pumping 3000 GPM on the south side of Hwy. 56 and water is declining there. Also the cost of delivery is going up and they want to talk about moving here to the north and creating a critical area here. Also there is not sufficient evidence rising water level is attributed to treatment facility and quality of water. We and Cedar City disagreed on this point. For the line at Hwy. 56 to go away is not in our interest here. It is not geographical thing; just a historical thing. There was more discussion of the line. It is conclusive that the line will stay there but will go out to Antelope Springs. Spencer discussed more of the economics of it and about lower priority water rights being cut in the south. They can't actually move the water from the north. The other thing is we came back and said we wanted 15 year cuts straight across. They allowed the first cut to be in 15 years but then 10 years after that. That will protect the value of 30 year loans in banks one of which Enoch City has. Due to the big ramifications The State Engineer agreed the first cuts would be in 15 years to get us past the 30 year loans. The State messed up when they issued newer rights and should not have. Spencer encouraged all to go to the public meeting. They have listened to us and this GMP is a better version. We pushed as hard as we could.

5. **ADJOURN-Motion to adjourn by Alan Miller. Motion seconded by Steve Woolsey and all voted in favor.** The meeting ended at 6:10 pm.

 10-10-19
Julie Watson, Recorder Date