

MINUTES

WOLF CREEK WATER AND SEWER IMPROVEMENT DISTRICT August 12, 2021

In accordance with the requirements of Utah Code Annotated Section 52-4-7(1)(d), the District records in the minutes the names of all citizens who appear and speak at an open Board of Trustees Meeting and the substance "in brief" of their comments. Such statements may include opinion or purported facts. The District does not verify the accuracy or truth of any statement but includes it as part of the record pursuant to State Law.

A regular meeting of the Board of Trustees of Wolf Creek Water and Sewer Improvement District (WCWSID) was held Thursday, August 12, 2021, via web-conference on Zoom.

Board Members Present: Miranda Menzies, Larry McBride, Don Stefanik, Jon Bingham, Bud Huchel

Board Members Absent:

Others Present: Rob Thomas, General Manager, Annette Ames, Controller/Recorder, Jon Schutz, Mabey, Wright & James, legal counsel for the District, Pam Young, Thomas Dickson, Scott Bracken, Brian Hockridge, Chase Rubin, Rick Friedman (in person), Chris Thomas, Andrew Kase, Brett Allan, Zack & Hayden Perry, Don Mahoney, Rob Garrison, Ron Gleason, Scott & Rachel Hurd, Jeff Allen, Ron Wilson, Steve Pierson, Doug Jackson, Hyrum Bosserman, Emily Morris, David Whitaker, Katy Dickson, Conley Hubert, community members, Aliza Tupuola – Pierce Design Build, Court Klekas – Wrona Law Firm, Jason Peterson- Peterson Builders, Eric Householder – Lewis Homes, Jordan Miller – Salt Lake Tribune

The regular meeting was called to order 8:03 a.m. by Miranda Menzies

NEW BUSINESS

1. Miranda Menzies opened the meeting by welcoming the visitors. She presented a power point presentation showing historic rain totals, statewide precipitation, and the drought situation in our District. She described the stress the drought has had on the water supplies in the District and reported that watering restrictions had been put in place as of June 10, 2021, by the District. She explained that the District is responsible to provide water to the existing homes as mandated by the State of Utah. The Board of Trustees made the decision, after discussing the situation with the District's legal counsel Jon Schutz at a special meeting on July 27, 2021, to place a moratorium on issuing new Can and Will Serve Letters effective as of July 27, 2021 and will reevaluate the situation in March 2022. Mrs. Menzies discussed the Standby Fee that is charged to all vacant lots in the District. These fees are necessary to support the annual water contracts through Weber Basin Water Conservancy District, and water shares for the irrigation water. These fees are also used to help with labor and maintenance costs on the water lines and equipment that will eventually provide water to each vacant lot in the District.

everything? Do we have any data showing that the water would not be sufficient? Why not let the people who are ready to go, proceed? It doesn't feel like we have shared the depth of the problem. If we do drill a well, does that solve the problem and for how long?

viii. Steve Pierce-Pierce Design Build Retreat Lot #38 Dickson

Q. It doesn't sound like the District is completely out of water, just being cautious. With the financial investments these people have made, it doesn't seem fair that the District just stopped all building, why not let five or ten continue to build and then see where you are?

ix. Christopher (Mike) Thomas Highlands Lot #115

Q. Purchased the lot thirteen months ago and made sure that all fees were paid. Has a letter from Annette Ames that states the fees are paid. That letter should take the place of a Can & Will Serve Letter. The District has committed with the State of Utah that we would provide water to these lots. If those who are in the middle of the process, and were allowed to begin building, there would not actually be using any water for 9 to 10 months.

x. From the Chat: Why is it not wise to share with the public how far the water level has dropped?

xi. From the Chat: The \$100 fine for overuse of water is not enough.

Miranda addressed some of the questions and offered further clarification of the Districts position:

- a. Are we doing this because we are afraid, we won't have water in the future? No, it is because of our current drought situation, maintenance issues, contractor and well driller scheduling issues. It is serious, otherwise the District wouldn't have taken this action.
- b. Did we have a legal memorandum? The District has taken legal advice on this issue.
- c. Is this a current situation or future projection? We understand that commitments were given a long time ago. Since then, we have discovered that the assumptions that were made at that time were unreasonably optimistic. It was pointed out that we are in a drought. We are making sure that we have enough water for the existing connected homes in the District. The culinary water is adequate for the homes at this time, the irrigation is not.
- d. We do have plans to drill more wells and are waiting on well drillers.
- e. We have chosen not to involve the Division of Drinking Water yet, they may issue a cease-and-desist order, which would take a very long time to resolve. We can work on this problem before it goes that far, with more flexibility.

- f. We do not expect this situation to go on indefinitely. We are doing all that we can to resolve the situation. But we do need to proceed in an organized and orderly way. We have no control over the drought, nor do we know how long it will last.
 - g. Bud Huchel explained that we are dealing with two issues, the historical drought, and the unprecedented levels of new construction. We need the time to drill wells and prepare new reservoirs to help manage these issues. We do understand the financial situations these people are in, but we have 1100 other existing homes to consider also. We are trying to be fair to all users. We are doing what is right for the users already on the systems. We are preparing for the worst but hoping for the better.
 - h. We have a very broad group of customers. To some the \$100 fine is the difference in making it to the next paycheck or not, and to other customers it's not even noticed. We try to be fair to all.
 - i. What would we do if we allowed all those who are in the middle of the process to begin building because they wouldn't actually be using water until next year, then the drought doesn't come to an end, we don't get a good snow pack this winter, etc.? Then we would have even more people using water and expecting water to be available. That makes the situation worse.
2. Miranda Menzies stated that in May we reminded our customers we were in a drought and to please try to conserve water. On June 10th, we put watering restrictions in and stated the additional restrictions may follow. In July, we looked at how effective the restrictions had been. Most of the users showed significant reduction in irrigation water use. Others showed no change or even increased their usage. We sent letters to all the homes that had used over 25,000 gallons per month, asking them to reduce their watering habits to less than 20,000 gallons. Mrs. Menzies asked the Board members, how to deal with the customers that showed no significant change or increased the usage. Bud Huchel stated that we should follow our Policy guidelines, which requires 1) a written letter be sent, 2) place the fine, 3) shut off for the rest of the season if there is no change in the behavior. Don Stefanik suggested that a formal letter be sent (Certified), and then impose the fines. If no response, follow the policy in place and shut off. Jon Bingham agreed. Bud Huchel made a motion to follow the policy that is in place, Don Stefanik duly seconded the motion, and it was unanimously approved.
 3. Miranda Menzies read Resolution 21-3 Moratorium on All New Can and Will and Serve Letter. A roll call vote was taken, and all votes were in favor.
 4. Miranda Menzies accepted a motion from Bud Huchel to go into Closed Session to discuss Purchase or Ownership of Water Rights, Land or Other Real Property, Personnel Matters, or Imminent Legal action at 9:28 a.m. Larry McBride duly seconded the motion, and it was unanimously approved. Larry McBride made a motion to reopen the regular meeting, Don Stefanik duly seconded the motion, and it was unanimously approved. The regular meeting

reconvened at 10:35 a.m. Don Stefanik made a motion to approve the items discussed in the Closed Session, Bud Huchel duly seconded the motion, and they were unanimously approved.

5. Jon Bingham made a motion to accept the July 8, 2021, regular meeting minutes, and the July 27, 2021, special meeting minutes. Don Stefanik duly seconded the motion, and it was unanimously approved.
6. Annette Ames presented the July 2021 financials, accounts receivable and accounts payable that had been previously sent to the Board for review, Larry McBride made a motion to accept the July 2021 Financials and the A/R and A/P, Jon Bingham duly seconded the motion, and it was unanimously approved.
7. Rob Thomas reported about one customer whose irrigation system broke due to a landscaper repair from four years ago. That customer is requesting some relief from the billing. After the discussion by the Board, Bud Huchel made a motion to adjust the account by half above previous typical use, Miranda Menzies duly seconded the motion, and it was unanimously approved.
8. Larry McBride asked the Board to consider raising Miranda Menzies stipend as was discussed previously in the July 27th meeting. Miranda Menzies rejected that action and graciously thanked the Board for their consideration.

There being no further business Bud Huchel made a motion to adjourn, the motion was duly seconded by Jon Bingham, and it was unanimously approved. The meeting adjourned at 10:59 a.m.

The next meeting will be a regular meeting and is scheduled for Thursday, September 9, 2021, at 8:00 a.m. in the business office at 2580N. Highway 162 Suite #A or by web-conference on Zoom.

Secretary of the Meeting