

PAROWAN CITY CULINARY WATER BOARD MINUTES

WEDNESDAY – NOVEMBER 9, 2022

6:00 P.M. – 35 EAST 100 NORTH – PAROWAN CITY OFFICES

MEMBERS PRESENT: Jim Shurtleff (Council Representative), Sam Halterman, Coy Stowell, Tom Gurr

MEMBERS ABSENT: Don Horton (Chairman)

CITY STAFF PRESENT: Kelly Stones (Public Works Superintendent), Dan Jessen (City Manager/Zoning Officer), Mollie Halterman (Mayor), Judy Schiers (Treasurer), Heather Shurtleff (Deputy Recorder/Water Board Secretary)

Jim Shurtleff moved to appoint Sam Halterman as Chair Pro Temp. Tom Gurr seconded the motion. All members present voted in favor of the motion. The motion carried.

PUBLIC PRESENT: Larry Zajac

CALL TO ORDER: Sam Halterman called the meeting to order at 6:20 P.M.

DO MEMBERS HAVE ANY CONFLICTS TO DECLARE? None

APPROVAL OF MINUTES: Jim Shurtleff moved to approve the minutes of May 11, 2022 as written. Tom Gurr seconded the motion. All members present voted in favor of the motion. The motion carried. The minutes were approved.

GRANDFATHERED WATER DISCUSSION – DAN JESSEN: Dan Jessen said there is a commercial development that has brought a preliminary plat for a lot split – Ace Hardware by exit 75. Mr. Jessen provided a large plat map for the Water Board to view. Mr. Jessen said there is a lot line adjustment, then a lot split that takes in two lots and carves out a third parcel. In the application for water city code (7.10.040), it says if a new lot is created by a lot split or annexation, after the enactment of this ordinance, which was amended in February, 2022, the people will provide sufficient water to adequately service said new water connection, with a priority date equal to or prior to December 31, 1949. Mr. Jessen discussed this with the developer and said bringing in water would apply to the new third parcel, with their civil engineers figuring out what water would be needed; the issue would go to the Planning and Zoning Commission for verification and then on to the City Council. Mr. Jessen talked about the developer, theoretically, being able to bring in only 1 acre foot at the time of the lot split and the rest when the building permitting process began, but thought it would be much easier to accomplish at the same time.

Dan Jessen asked what is the assumed base amount grandfathered to a lot that is commercial and does the City need to put that amount in the code or write a policy that maybe says 1 acre foot, no matter what the size of the parcel. Since the state has the right to curtail 1,000 acre feet of our ground water rights over the next 50 years, this question becomes a much bigger deal. The board discussed, at length, the size of building lots and current requirements for water on different sized lots.

Coy Stowell arrived at this point in the meeting – 6:25 PM.

Dan Jessen talked about the developer on the parcel in question saying he had already given water to the City of Parowan. The developer's attorney called Mr. Jessen and explained that water had been brought to the City when the parcel was subdivided in 2007. Mr. Jessen and Justin Wayment, Parowan City Attorney, were looking into the matter. Mr. Jessen found that the original plot map for the property in question had a note attached that said a water development fee would be required at the time of building. The developer's attorney talked with Cleve Matheson earlier in 2022 about a water development fee rather than needing to purchase water rights.

Dan Jessen talked to the Water Board about city ordinance 7.10.080. (see attached)

Dan Jessen said the reasoning behind changing the water ordinances was to require water rights to be brought in and do away with the water development fee. The ordinance would need to be modified. Mr. Jessen said that bringing in the businesses in question was a good thing for Parowan, but this water issue would need to be looked into and resolved.

Jim Shurtleff said originally the development fee was because the City had enough water to sell; that ended when the state decided they could curtail water rights. Dan Jessen agreed and said back then the development fee was a good policy, but now it is a whole different ball game.

The board discussed whether the property did, in fact, have any grandfathered water, due to the fact that a building permit had not been pulled. Dan Jessen said to do a lot split, which was currently being proposed, the developer would need to bring in water, that was very clear in the code; the question was, how much water was grandfathered in now for the other two lots. The discussion continued, with Mr. Jessen and the board saying the amount of water that needed to be brought in would depend on the size of the land and the intended use. A motel would take more water than a single family home. It was mentioned that all of the work would be done under the hand of the Parowan City Water Superintendent.

Larry Zajac talked about a piece of code that stated when the developer doesn't know what type of development will happen, they will bring sufficient water at the time of building permit. The developer would need to go before the Planning and Zoning Commission; the Planning and Zoning Commission would then need to send a recommendation to the City Council. Mr. Zajac said the state office in Cedar City said to plan on a five month process to transfer water rights, which could be problematic for a developer. Jim Shurtleff said that falls on the developer, not the City. Mr. Zajac said the City is the one demanding the water. Mr. Shurtleff said we shouldn't put up road blocks, but we can't take water from the citizens for developers; we need to protect the city. Mr. Shurtleff said this is our ordinance and we need to protect the residents. Mr. Zajac said he agreed with Mr. Shurtleff. Dan Jessen talked about informing the developers about the timeline for transferring water, and that it would be best to transfer all the water needed up front, which would require correct information about what would be built on any piece of property.

Dan Jessen wondered at what point in the water transfer process would the City be okay to go forward with the building permitting process. A discussion ensued. All water rights aren't equal. Jim Shurtleff said the water right would need to be viable culinary water. Mr. Jessen talked about making sure the water is proven. The board discussed maybe moving forward with a building permit once the water rights are in the recording process.

The board discussed the possibility of a developer bringing in a water development fee. The new ordinances requiring water to be brought in were created to do away with the water development fee. Dan Jessen said the developers of the Ace Hardware complex think they should only have to bring in a water fee. Mr. Jessen talked about verbiage still included in ordinance 7.10.080 about being able to pay the City a water development fee. Jim Shurtleff said no, the developers don't have an active building permit yet, so they should be under the new ordinances. Mr. Jessen said the City Council needs to remove the verbiage about the water development fee, but it is still in the ordinance currently and it was in 2007 when the lot split happened. Mr. Shurtleff asked if we have record of the water the developers say they provided in 2007 and Mr. Jessen said no we don't. Larry Zajac said those lots are undeveloped so they probably don't have a connection at all. Mr. Jessen said the City needs to assign a specific water right to each lot; at this time the rights are not parceled out and assigned. Mr. Shurtleff talked about the irrigation shares in town being assigned to certain lots before they were turned back to the city to create the pressurized irrigation system.

Dan Jessen asked if a developer owned a 20 acre parcel in Parowan City and said they brought a certain amount of water in for the City and they want to be able to use those water shares, how would that be handled. The board said those water shares

should have been recorded and the burden of proof would be on the developer; absent the proof, the 20 acre parcel would be entitled to one ¾ inch connection.

Dan Jessen and the board discussed, and agreed, that the current lot split for the Ace Hardware property, and the newly created parcel should be under the new requirement for bringing in sufficient water rights for the use of the property.

Dan Jessen suggested a recommendation to the City Council to remove the language that says, "shall be assessed a water development fee". The board discussed the issue. Sam Halterman asked if the motion should be looking into altering the ordinance. Mr. Jessen said there would be two parts to it, a discussion about grandfathered water, and getting a recommendation ready to send to the City Council to remove the water development fee language entirely from ordinance 7.10.080. The process should begin with the Planning and Zoning commission.

Larry Zajac thought if the grandfathered water for a lot is limited to one ¾ inch connection, we should consider stating it in a way that is based on the state calculations. The board discussed the basis for one acre foot per residence, adding .45 acre foot for culinary and then .55 acre foot for culinary irrigation. Mr. Zajac suggested simplifying the language and putting one acre foot of culinary water per dwelling into code so the City would have a leg to stand on in R-2 and R-3 zones. The board also discussed a commercial lot being at one acre foot as a base, then added onto depending on what was built on the lot. Mr. Jessen would like to see all of the information put into a table format for clarity.

Jim Shurtleff moved to recommend to the Parowan City Council to modify the language in the water ordinances to set the grandfathered amount of culinary water at one acre foot per dwelling per building lot in residential zones and one acre foot per lot in commercial zones plus additional water subject to land usage, also to remove all language from ordinance regarding allowing a water development fee. Tom Gurr seconded the motion. All members present voted in favor of the motion. The motion carried.

REQUESTS FOR WATER BILL ADJUSTMENTS – 185 N 780 W & 507 S 675 W: Dan Jessen read the letter aloud for each lot: 507 S 675 W had a frost free hydrant leak - \$1024.04 (345,000 gallons), and 185 N 780 W had leaks in their sprinkling system - \$1,696.44 (688,000 gallons). The two accounts have been carrying a balance, waiting for this decision from the Water Board. Sam Halterman asked if the City had something that flags a leak. Judy Schiers answered that the City has daily read capability for the water meters with an alert for high usage, however, the daily read was not operational in July. Mrs. Schiers also explained the ordinance regarding water leaks and the billing – if the leak is fixed within 10 days of first detection, and

the fix is verified by the City, the account charge is taken back to the base rate plus \$50. Both leaks were fixed, but not within the allotted timeframe.

Heather Shurtleff read Kelly Stones recommendation in this situation, since Mr. Stones could not attend the meeting. Mr. Stones recommended that both parties pay 50% of the water bill. Mr. Stones mentioned that if the usage was high on power the customer would just have to pay the total. Sam Halterman talked about maybe waiving the penalties due to the Water Board not meeting for some time.

Larry Zajac talked about a piece of code which allows the Water Board to decide on matters like this. Judy Schiers said Mr. Zajac was correct, that was why the Water Board was hearing the matter now.

The board discussed the matter at length. The board was leaning toward a 50% reduction. Judy Schiers asked if the board would allow each party to pay over a period of time. The board continued to discuss the issue.

Jim Shurtleff moved to give both parties a 50% reduction on their water bill in question, and allow both parties 6 months to pay the portion current. Tom Gurr seconded the motion. All members present voted in favor of the motion. The motion carried.

RECOMMENDATION FOR WATER DEVELOPMENT ORDINANCES – DAN JESSEN:

Covered in the GRANDFATHERED WATER DISCUSSION item.

STAFF AND MEMBER COMMENTS: Jim Shurtleff asked when the water fill station would ready to use. Dan Jessen answered a new bid was required from a new provider for different card reader hardware, which would also be cheaper. Judy Schiers mentioned when we go to a card reader, we will need a new merchant for the cards, as Xpressbillpay gateway wouldn't talk to the water fill station gateway; to set up gateway communication with Xpressbillpay would be \$4500.

Jim Shurtleff asked about a Bowen-Collins water and sewer master plan update. Dan Jessen got a call from Bowen-Collins yesterday morning, and they have everything they need for the time being to work through it. Mr. Shurtleff asked if Bowen-Collins would be done within the original contract timeframe of approximately 8 months, which started on April 22, 2022. Dan Jessen said it should be alright. Mr. Jessen said there was mention of a storm drainage master plan that had not been included. The cost would be on top of the existing bid and Mr. Jessen asked where that money would come from, maybe the general fund, maybe ARPA

money. Mayor Halterman said the cost for the storm drain master plan would be approximately \$22,000, which is cost prohibitive.

Dan Jessen talked about the Ground Water Management Plan; it is the document that will ultimately end up curtailing 83% of the City's water. Multiple meetings have been held about this with the Parowan Pumpers (of which Parowan City is a member) and the state engineer's office. It will be a matter of timing, to give the parties time to do some voluntary methods like recharge and conservation.

Three voluntary method strategies:

1. If the state sees some of these methods, the state may delay the curtailment. The state engineer will hold a public hearing in December before the curtailments are put into place. Parowan City is trying hard to conserve water, which should help.
2. When the curtailments take place, Parowan City will be in a deficit situation, which will mean the City won't have enough water for its current residents. Parowan City will need ideas on how to reestablish enough old water rights to supply existing residents. Cedar City was setting aside water from their top tier (those residents who use water without regard to conserving) to purchase appropriate water rights. Mr. Jessen said the City needs to be ready to purchase viable water rights when they become available.
3. Recent law from the state legislators says that if an entity has an active ground water management plan already in place, it will be exempt from metering each secondary water connection.

The board talked about the fact that the pressurized irrigation system is untreated surface water only, there is no pumping. The board talked about the possibility of treating the Six Mile Spring to make up for some of the curtailed water rights. The general plan includes the possibility of drilling another well. The Six Mile Spring water right is 1851 and will be part of the 17% that Parowan City will be able to use.

Dan Jessen talked about the 300 East Well. The motor was fried and the warranty will not be applied. It is \$20,000 for a new pump, and it should be installed and back online next week. The money was already allocated by the City Council, and the City may potentially be using some ARPA money.

Sam Halterman spoke briefly about Parowan City's pressurized irrigation management plan being separate from the Parowan Pumper's irrigation management plan. Dan Jessen said if the state goes ahead with their plan, Parowan City would still be exempt.

PUBLIC COMMENTS: None

ITEMS TO BE DISCUSSED AT THE NEXT MEETING: None

ADJOURN: Jim Shurtleff moved to adjourn. Coy Stowell seconded the motion. All members present voted in favor of the motion. The meeting was adjourned at 7:46 P.M.

PAROWAN CITY PRESSURIZED IRRIGATION BOARD MINUTES

WEDNESDAY – NOVEMBER 9, 2022

6:00 P.M. – 35 EAST 100 NORTH – PAROWAN CITY OFFICES

MEMBERS PRESENT: Jim Shurtleff (Council Representative), Sam Halterman, Coy Stowell, Tom Gurr

MEMBERS ABSENT: Don Horton (Chairman)

CITY STAFF PRESENT: Dan Jessen (City Manager), Mollie Halterman (Mayor), Heather Shurtleff (Deputy Recorder)

CALL TO ORDER: Sam Halterman called the meeting to order at 7:46 P.M.

DO MEMBERS HAVE ANY CONFLICTS TO DECLARE? None

APPROVAL OF MINUTES: Jim Shurtleff moved to approve the minutes of May 11, 2022. Tom Gurr seconded the motion. All members present voted in favor of the motion. The motion carried. The minutes were approved.

ITEMS TO BE DISCUSSED AT THE NEXT MEETING: None.

STAFF AND MEMBER COMMENTS: Sam Halterman stated the pressurized irrigation system is shut down for the season.

PUBLIC COMMENTS: None

ADJOURN: Tom Gurr moved to adjourn. Jim Shurtleff seconded the motion. All members present voted in favor of the motion. The meeting adjourned at 7:47 P.M.

3/8/2023

Date Minutes were approved