COUNCIL WORK MINUTES
FEBRUARY 19, 2020

The City Council held a meeting on Wednesday, February 19, 2020, at 5:30 p.m. in the City Council Chambers, 10 North Main Street, Cedar City, Utah.

MEMBERS PRESENT: Mayor Maile Wilson-Edwards; Councilmembers: Ron Adams; Terri Hartley; W. Tyler Melling; Scott Phillips.

MEMBERS EXCUSED: Councilmember Craig Isom.

STAFF PRESENT: City Manager Paul Bittmenn; City Engineer Kit Wareham; City Attorney Tyler Romeril; City Recorder Renon Savage; Finance Director Jason Norris; Police Chief Darin Adams; Fire Chief Mike Phillips; Leisure Services Division Head Wade Orme; City Planner Don Boudreau; Public Works Director Ryan Marshall.


CALL TO ORDER: Enoch City Manager Rob Dotson gave the invocation; the pledge was led by Enoch City Mayor Geoffrey Chesnut.

AGENDA ORDER APPROVAL: Councilmember Phillips moved to approve the agenda order; second by Councilmember Hartley; vote unanimous.

ADMINISTRATION AGENDA – MAYOR AND COUNCIL BUSINESS; STAFF COMMENTS: ■ Phillips – I want the assistance of Chief Adams, I have seen signs on light posts, I know it falls under Code Enforcement, there is several throughout town, can you make a phone call. They are bolted on the pole, so I cannot remove them. ■ Melling – I will continue my Council walks, Saturday on Northfield Road and North Cedar Blvd. area. There is rain in the forecast, but I will continue if anyone is interested, we will start walking at the Family Dollar on 1045 N. Main at 10:00 a.m., down toward N. Cedar Blvd, to Northfield Road and come back, it will take 2 to 3 hours. ■ Mayor – I had the State of the City address today, the departments have done incredible things over the past year, we are fortunate to live here, and unemployment is low. Phillips – thank you it was very informative. Hartley – it makes us proud to live here.

PUBLIC COMMENTS: There were no comments.

CONSIDER DISPOSING OF 0.31 ACRES OF CITY PROPERTY LOCATED AT 820 WEST COAL CREEK ROAD. KAde ADAMS/TYLER ROMERIL: Kade Adams – I proposed to buy .35 acres across the road, I wish I would have done it all at
once. Mr. Jett said that he felt it was obligatory to get the one on the other side. The .31 goes down and wraps around Coal Creek, it is unusable because of the storm drain and poles, .19 is all that is usable. I have shown I want landscaping around both pieces; Councilman Phillips wants trees around it which I plan to do. I think it is ready so I can improve the landscaping. Phillips - .31 we are talking about, does this reflect that? Kade – this is not quite .2 acres; a small area does not show up.

Tyler – the appraisal came back for $22,000, I put an RFP out saying we will not accept anything less, Mr. Adams is the only one that responded. Kade – it is residential, which is crazy, I will want to rezone to industrial which is all around it. It is steep and there is a storm drain, I doubt it will fit a building, but I am hopeful. Consent.

CONSIDER ALLOWING THE USE OF CITY WATER FOR LIVESTOCK WATERING OUTSIDE CITY LIMITS. ERNIE & JESSICA BULLOCH / TYLER ROMERIL: Jessica Bulloch – we purchased 10 acres on 3,000 North by the Barn Reception Hall, we have been leasing and hauling water to livestock, we would like to get water for livestock watering.

Tyler – there is a specific exception to use city water outside the city limits for livestock. We want to encourage animals outside our boundaries. There are about 10 requirements they have to do on their own, they pay double fee schedule on the water, and they have to be Cedar City residents. If the city wants to terminate we can. As I went through the Ordinance they understood the terms. The only way it can be granted is through the City Council. Hartley – if it qualifies through the ordinance, why do we have to approve? What kind of livestock? Jessica – horses, cattle and sheep, 10 horses and on occasion cattle and sheep.

Melling – I pulled up the annexation declaration; the parcel is under that, does that have any bearing? Tyler – when we initially started talking, I suggested this. In speaking with Robbie Mitchell, I found out about this ordinance. Annexing would be the ultimate goal, but the ordinance allows it. Phillips – because it is agriculture, because we have denied other. Tyler – there is an exception for livestock. Kit – it was an incentive to have people move their livestock outside the City limits. Melling – the volume of water, is it about 250 gallons per day? Ernie – probably 100 gallons. Melling – we are talking about 1 house. Phillips – is it year-round? Jessica – yes, but we do take our animals to the desert and mountain in the summer. Melling – I don’t have a problem. Hartley – it says they have to live in the City limits? Ernie – we live in the City limits. Action.

CONSIDER PARTNERSHIP ON A NORTH CEDAR CITY FIRE STATION. MAYOR CHESNUT: Mayor Geffrey Chesnut – Mayor Edwards did a great job today, she spoke first. I am the Enoch City Mayor; we want to see about a partnership for a north fire station. I understand that there is discussion for a south fire station; I understand that consideration with growth going that direction for Cedar City. We would like to discuss we are very happy with the service that has been provided. We know as a partnership it is mutually beneficial, in many ways more to us than you. We do bring to the table dollars, running a fire station is expensive. The County has property in northern
Iron County that they service also. There are current needs that we have concerns as a partner. For our service which we are grateful for, our community relies on the Fire Department, we don’t have optimism that a fire will be put out. At this point your fantastic Fire Department make sure it is not a larger problem in our community. We hope if the partnership is valuable on both sides that we can consider discussion. We can bring to the table more, we can qualify for grant money to make this happen, and the hope and optimism, historically there has been animosity between the communities, I don’t know why. The reality is a partnership benefits us both and we feel as a partner we would like input in the discussion on the north end, so we don’t have to pick up the pieces and not spread to the next house. We have had informal discussions, the processes should be done before the public, but informal conversations need to be more formal, so we have expectations.

Phillips – are you looking at 2400 North location or an unspecified location? Mayor Chesnut – there are preferences. There is a location near both boundaries that has been discussed informally. We are not trying to dictate terms.

Rob Dotson – the north location is now not manned. If you go to the northeast toward Maverik, north of the interchange by the Bowling Alley, on the east side, potentially that property east of the Bowling Alley, close to I-15 and the interchange.

Phillips – I think there is an opportunity down the road where a building will be constructed, the bigger question is how it is manned, we have that question relative to the cost, and how would the City of Enoch respond to that.

Mayor Edwards – we did our contract with all the entities based on population, property value, the funding is: 59% Cedar City, 31% Iron County, 9% Enoch 1%, Kanarraville 1% and Cedar Highlands 1%, right now they are 9% of the Fire Department costs. We bill a year behind. Chesnut – we understand that there may be a necessity to reevaluate that, but it would still be less for Enoch than having our department, and there are benefits to that, especially if we can qualify for programs. Do we put effort to explore what we can bring to the table? Phillips – do you plan to have a similar conversation with Iron County? Mayor Chesnut – we have had informal conversations with Commissioners, we want to be good partners. Phillips – is there a critical mass, you are at 7,000 residents, when do you have your first fire chief and fire truck? Is there a formula? Chief Phillips – it up to the elected body. Phillips – there is not a benchmark? Chief Phillips – the ISO sets travel distances for the fire insurance rates.

Hartley – are you willing to talk an amount you can help, we are talking $800,000 to a million to man the station, ongoing. What part of that would Enoch come forward with? Mayor Chesnut – we would like to do that, we want to be a good partner, our budget is small, I am the first Mayor to get a tax increase without a referendum, and that was $200,000. We have not had a formal discussion. Hartley – it is what comes first the chicken or the egg. It is hard to give a solid answer, we always want to pursue that, but we have to keep in mind what we can afford also. Mayor Chesnut – my request is can we take this to informal discussion to put something together to have formalized discussion
to see what it looks like, what the costs will be, what does Cedar and Enoch want to bring. I don’t want my staff spinning their wheels putting things together and see Mayor Wilson at the south end at a ribbon cutting. Hartley – what was the County response? Rob Dotson – we should talk about it. Chesnut – who is first to make the step, if we are asking for increased partnership, we step up and ask for something more formal. It may not go where we want it to go, but until we put man hours into the discussion, we don’t know. Melling – I am willing to move forward with costs breakdown and what it costs to man the station on an annual basis, and then look at the service area, Enoch, County and City, and work on the discussions. Mayor Edwards – what is your expectation for what staffing would look like and equipment would look like, would you want it staffed full time, part time, or what? Chesnut – I understand there are several volunteers on the department from Enoch, 15-20. If there is a call, rather than driving all the way and then going back, we are talking a much quicker turn for volunteers, even if it is a few hose trucks, even if part-time volunteers. For us it is having the resources available. We have on the low end 15 guys that can man a truck, but don’t have one. Could it be a one hose truck on the fire while the other truck show up, that is a significant gain. Hartley – is there OSHA requirements? Chief Phillips – OSHA we have to have 4 people on scene before they can enter a house, they can do things on the outside, unless if we know there is a victim inside. Paul – there are things they can do while they wait for an engine to arrive. Mike – that is what we do with a squad truck we have now, there are ways to do it. Phillips – how is the City equipped relative to fire hydrants? Chief Phillips – they have a good fire hydrant system. Phillips – in the list, you spoke about strategic planning in your speech this morning, where does a fire station fit in priorities? Mayor Chesnut – Sergeant Isaac Askeroth’s home burned down, I think it would have been different if he and his children would have been in the basement and we would have lost them. There was one lost in our community a few years ago, and we were asked why don’t we have our own and we showed the numbers. It is a higher priority; we see the limitations that we would like to address. Phillips – we have a number of residents in the north end of town also, this is a value. I agree we should explore the options without it being a foregone conclusion. Mayor Chesnut – that is what we are looking for, we want to see the benefits for both communities. Hartley – who takes the lead? Mayor Chesnut – I am happy to with Mayor Edwards’ blessings.

CONSIDER AN ORDINANCE REVISION AMENDING CHAPTER 14 OF THE CITY’S ORDINANCES CONCERNING BURIAL RIGHTS. WADE ORMEL/TYLER ROMERIL: Wade Orme, Parks Division Head – this is to go along with the expansion of the columbarium, it is to delay the need to expand, it goes along with reclaiming abandoned plots to prolong expanding. Paul – if you are cremated you go in the columbarium instead of a plot, if your spouse is interred and you are cremated, they can go in the same plot. Hartley – is this typical for other cities with columbarium? Wade – yes. The whole build out of the columbarium, 11 units, it would have the same number of spaces as an acre and it is 45 x 80, and cremations are more popular. Phillips – how much will this slow down future land for the cemetery? Wade – no. as original cemeteries get full, it is added strain to have two separate areas with equipment and staff, this is to help stay ahead of the game. Phillips – have we sold any spots in the columbarium? Wade – yes, one. Melling – I see more people choosing cremation, it is a
great way to preserve the plots, and the exception with being buried with a spouse is addressed. I don’t have any issues. Paul – In order for the cremated family to be interred with another family member, what if they are already dead, how do we get permission? We discussed from the person or their heirs, we don’t want to be in the middle of the discussion, from the plot owner or their heirs. Melling – if we follow the priority at the state level it would work. Wade – we have a reserved for column in the computer for the purchaser to address that. We want to make it much easier, when the purchased the plot.

Carter Wilkey – in the circumstance where the husband and wife, but if the cremated one dies first, how does that work, does the cremated person have to go in the columbarium? Wade – we would suggest that they cremate and keep them, and both be buried at the same time. It depends on which section; the older section is much larger so you can put an urn in and put a full size coffin. The new section is tighter. Tyler – they can also be put in the columbarium and then moved later. Action.

CONSIDER AN ORDINANCE REVISION DEFINING A BEDROOM FOR PARKING CALCULATIONS. DON BOUDREAU / TYLER ROMERIL: Don Boudreau, City Engineering – there were some issues for multi-family housing and rooms that are labeled dens, the idea is to give staff a tool so when plans come in, we can address it. They become marked and sold as 3 bedrooms when it was built as 2-bedroom unit and a den.

Tyler – we added a couple words, we made clear common space would not be counted as a bedroom and changed the verbiage to be defined as. Melling – I get the issue where we have a developer that tells the City one thing to skirt the regulation and then market another way. How many developments that have skirted the code are at 100% parking capacity? Don – I don’t know. Tyler – when I drive by there are typically cars on the street. Melling – that was more of a planning issue. There are plenty of empty spaces on the inside, but the street parking is closer to the door. Phillips – I would like you to give me a clear definition of the sentence that reads “Bedrooms as defined herein, include habitable rooms so designated as a den, study, office, exercise room sewing room, loft, playroom and other similar designations.” Please define that for me. Don – when we are looking at a plan, this gives us guidance to define a bedroom. I know it is lengthy definition. At some point we will run into a subjective floor plan, but the definition is to define a sleeping area and what it is not. This defines what is and what is not. Den, sewing room, craft room would be defined as a bedroom. Phillips – a den, sewing and craft room is a bedroom? Tyler – the only time we care is a duplex, four-plex and townhome. Our experience there is not a market to put a legitimate den in a townhome. We know they are skirted around to not put as much parking in. If there is a legitimate library, we will have a discussion as to if we should count that. At this time, it is a 3-bedroom townhome. Melling – is there any way I could get a list of the projects where there is an issue? I would like to see if the parking lots are chronically full. Tyler – the calculation is on an engineering standard; I would rather change the calculation than allow people to be dishonest developers. Melling – the way we currently have the ordinance, I feel it is overly broad and I would like to see for myself if they are causing harm to the community by forcing residents to park elsewhere. Is there a way to get a list
of the developments? Tyler – yes. Adams – the townhomes could resale, and a family could buy it with 3 kids, they will have 1 or 2 cars until the kids can drive. If what is happening with one developer, he presales 20 units before he gets them roofed and I guarantee they are not renting to families, they are renting to 3-6 students. Melling – my knowledge is limited to one development where it is not an issue. I want to see if we are supplying 2.6 spaces for 6 cars and then it can be a huge problem. Phillips – I don’t think we should be providing a way for developers to go around the intent, let’s address it. I know what staff is working to do, it protects the City, and I applaud you for trying to do this.

PRESENTATION OF A WATER NEEDS ASSESSMENT AND BUSINESS PLAN.
CENTRAL IRON COUNTY WATER CONSERVANCY DISTRICT/CAROLLO ENGINEERING: Paul Monroe, CICWCD – we have been working for the past 4-5 months on a water needs assessment and financial business plan to have a better understanding of what are water needs are with the proposed groundwater management plan and incorporate bringing water in from the west desert of Pine Valley. We brought in Paul Bittmann and Jonathan Stathis, Rob Dotson to make sure the communities agree. This plan would take us 50 years into the future, addresses growth, water conservation and recharge, it is a comprehensive plan. We want to answer questions and have this as a tool for you as decision makers to help us identify when to bring on the Pine Valley water project. Where we are now, we are moving forward with 3 goals, recharge, conserve and import water. We are in the EIS portion of the import so it will be shovel ready when the community is ready for it.

John Reardon & Cody Berg from Corollo Engineering – Exhibit “A” was reviewed.

Melling – is this rate for the user to be paying all of that, without other sources? Cody – yes.

Phillips – John you talked about local suppliers and from 20% to 18%, what is local?
John – the Cedar Valley aquifer, not Pine Valley. Local ground water rights are rights out of the Cedar Valley aquifer.

Phillips – when you spoke of District’s customers, is that sales customers? Yes, but you are charged different than the retail water. Melling – if you live in the County you buy from the CCICWCD, they are the users. Paul – they are showing what they will charge us, we need to charge our customers enough to keep our infrastructure going. Melling – which variables seem to affect the projections most vitality, which factors? Cody – in finance it comes down to a combination of capital costs with Pine Valley and the demand. We see the city growing population with declining restrictions for pulling water out. Every time I get more people and less water it costs more money. Phillips – on the Pine Valley water supply the ASAT was $259 million? Cody – yes, that is 2019 dollars, there are assumptions. John – you have to drill more wells to provide more water.
Melling – this is informational presentation and we need to decide what we want to do water wise as a city? Paul Monroe – this is a tool to hopefully, where communities agree that it is a planning tool. The District’s goal is to continue to make sure the West Deseret
project is ready to go. This is to start those discussions on what we do in the future, give us options and see how we want to accomplish that. Water is regional, we are all playing in the same sand box. Melling – is the ground water management plan implemented? Paul Monroe – they are projections, there are a few more weeks for public comments and then it is up for judicial review. People that wrote comments except comments. The State Engineers in our meeting were thinking around July. Paul – they have not said a drop-dead date, but they are not procrastinating it, it could be July or August, but not years on end. Paul Monroe – I don’t see a lot of changes in the structure. Paul – no, we have asked for a number of changes, some they accepted, some not.

Hartley – it said the District would take on the debt, is that for presentation? Paul Monroe – they tried to paint the picture of what would happen; it would be done through agreements. The State will help pay bond payments until it gets flowing. Percentage wise the City versus the District, and Enoch, the water bills in Cedar may be slightly higher to consume the initial debt before water comes in. I don’t foresee the District paying all of that. Hartley – long term the District carries the debt? Paul Monroe – yes, but with agreements with the entities. Melling – the District takes the debt, but we have autonomy in how we pay the debt, whether it be growth and impact fees, or if overwatering we need to raise our rates? Paul Monroe – yes. Impact fees and new growth paying the future water supply, those are things we should be considering as well, what type of money are we all putting aside, the writing is clear we have to take out a lot of the agriculture or look at importing water into the basin. Conservation may buy you 4 years. 28% when we look at a 20% reduction, the houses will have zero turf in the front and sides and 2,000 square feet in the back, it is expensive.

Laura Henderson – does your plan include incentivizing cities and residents through conservation? Is that built into the plan? How do we access your website to get to public comments? Paul – the State Engineer’s website. Melling – waterrights.utah.gov. Paul Monroe – conservation incentives are not built into this model; it is really hard to identify the total cost of conservation. Since 1995 our community has conserved about 20% of where we were in 1995. It becomes more difficult. You will be paying or incentivizing people to remove turf. There are rebates we do with the state, smart water controls. Melling – if we pay people to remove turf, are we willing to let them pay more to cool their house in the summer. We want to look at that before conservation. Paul Monroe – we need more analysis on conversation, to meet those goals it would buy us 4 years. Melling – anything else today or is this to digest? Do you have raw data to manipulate data? Paul Monroe – their model is intricate, it will be provided to us, we can plug and play any scenarios.

**ADJOURN:** Councilmember Phillips moved to adjourn at 7:23 p.m.; second by Councilmember Hartley; vote unanimous.

[Signature]
Renon Savage, MMC
City Recorder
Pine Valley Water Supply and Conservation Project
Business Plan and Water Needs Assessment

CICWCD WATER ADVISORY COMMITTEE
CITY COUNCIL – CEDAR CITY
CITY COUNCIL – ENOCH CITY
CENTRAL IRON COUNTY WATER CONSERVANCY DISTRICT BOARD

JOHN REHRING
CODY BERG
JAKE BAER

CEDAR CITY & ENOCH CITY // FEBRUARY 2020

Key Stakeholders and Planning Team

Key Stakeholder: Cedar City
- Paul Bittmenn
- Jonathan Statthis

Key Stakeholder: Enoch City
- Rob Dotson

Project Lead: Carollo Engineers
- Cody Berg
- Jennifer Ivey
- John Rehiring
- David Tuffe (SUU)

Project Support: CICWCD
- Paul Monroe
- Jessica Staheli
- Kelly Crane (Ensign)
- Curtis Nielson (Ensign)
Pine Valley Water Supply Project Basics

- 15,000 AFY
- Fully reusable water
- 70 mile pipeline
- Sustainability focus

Overview of Discussion

Key Stakeholders and Planning Team

Water Needs Assessment
- Water Supply and Demand Forecasts
- Demand Management & Local Supply Approaches
- Conservation, Aquifer Recharge, and Water Reuse
- What Would Happen if We Do Not Act?
- Supply Alternatives Considered

Financial Business Plan
- Key Assumptions for This Analysis
- Basis of Financial Analysis
- Typical Monthly Bills
- Outside Funding Opportunities

Planning Uncertainties

Policy Choices and Tradeoffs

Discussion
// Planning Uncertainties

Population and Demand Projections
Future Cost of Agricultural Water Rights
Groundwater Management Plan Implementation
Potential Stakeholder Agreements
Existing and New Wells (future yield?)
Recharge Credit Ratio (1 to 1 or less?)

// Policy Choices and Tradeoffs

Operations under Current Conditions
Agricultural Water Rights Purchases and Implications
Conservation Targets: Amounts and How to Achieve
2070 and Beyond
Water Needs Assessment

// Water Supply and Demand Forecasts

Population Forecast 2020-2070

Demand Forecast 2020-2070 (Prior to Additional Conservation)
Draft Groundwater Management Plan

Groundwater Rights Remaining After State Engineer Cutbacks (2020-2070)

So what if we do nothing?
Demands Will Exceed Legally-Available Supplies

We Are Already Using Water Faster than it is Replenished
Demand Management & Local Supply Approaches: Conservation, Aquifer Recharge and Water Reuse

<table>
<thead>
<tr>
<th>Conservation Goals per Utah DNR (percent of 2015 per capita use)</th>
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<tbody>
<tr>
<td>2030</td>
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<td>-19%</td>
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Approx. cost = $10s of millions
Demand Management & Local Supply Approaches: Conservation, Aquifer Recharge and Water Reuse

Coal Creek Flows 1999-2019
Average Recharge Potential ~6,400 AFY

- Long-term average (capped at 100 cfs) ~6,400 AFY

2018 Cedar City Reuse Study
- Irrigation in Enoch Graben or near WWTF
- About 2,000 AFY of water supply
- $17M - $29M
Supply Alternatives Considered in Current Study

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<th>Scenario</th>
<th>Add 1 Conservation</th>
<th>Buy Local GW Rights</th>
<th>Recharge</th>
<th>Reuse</th>
<th>PVWS ASAP</th>
<th>PVWS @ Shortage</th>
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1: 100% Local Well Supply
2: Local Wells + Conservation
3: Local Wells + Recharge + Conservation
4: Local Wells + Recharge + Reuse + Conservation
5: Accelerated PVWS
6: PVWS at Shortage

Plus Conservation Costs

Capital Cost (2019 $M)

Financial Business Plan
// Key Assumptions for Financial Analysis

**District Issues Debt**
- Revenue Increases (Ratepayers)
- Debt Service Coverage Requirement (1.30x)
- Positive Cashflow

**Water Sales Revenue**
- District's Retail Customers
- Wholesale Customers (Key Stakeholders)

**Additional Wells**
- Drilled on an as-needed basis (Demands)
- No new wells after PVWS project is online
- Water rights constraints per DNR Groundwater Management Plan

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// Basis of Financial Analysis

**Data**

**Annual Projections**

**Cashflow Scenario Analysis**

Cashflow → Rates → Bills
Typical Monthly Bill – CICWCD

Monthly Water Bill by Decade

Typical Monthly Bill – Cedar City

Monthly Water Bill by Decade
// Typical Monthly Bill – Enoch City

Monthly Water Bill by Decade

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// Outside Funding Opportunities

Optimal Funding Selections

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<th>DSC Ratio</th>
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<td>20 yrs.</td>
<td>~25%</td>
<td>130x</td>
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<td>30 yrs.</td>
<td>~25%</td>
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<td>Private Equity Financing</td>
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</table>
// Planning Uncertainties

- Population and Demand Projections
- Future Cost of Agricultural Water Rights
- Groundwater Management Plan Implementation
- Potential Stakeholder Agreements
- Existing and New Wells (future yield?)
- Recharge Credit Ratio (1 to 1 or less?)

// Policy Choices and Tradeoffs

- Operations under Current Conditions
- Agricultural Water Rights Purchases and Implications
- Conservation Targets: Amounts and How to Achieve
- 2070 and Beyond
Discussion

Pine Valley Water Supply and Conservation Project
Business Plan and Water Needs Assessment
CICWCD WATER ADVISORY COMMITTEE
CITY COUNCIL - CEDAR CITY
CITY COUNCIL - ENOCH CITY
CENTRAL IRON COUNTY WATER CONSERVANCY DISTRICT BOARD
JOHN REHRING
CODY BERG
JAKE BAER

carollo

CEDAR CITY & ENOCH CITY // FEBRUARY 2020
DRAFT