

MINUTES
SPECIAL WORKSHOP MEETING OF THE TOWN COUNCIL,
TOWN OF CASTLE VALLEY
WEDNESDAY, MAY 6, 2009 AT 8:15 A.M.
CASTLE VALLEY COMMUNITY CENTER
2 CASTLE VALLEY DRIVE

Town Council Members Present: Damian Bollermann, Jim Lindheim, Ranna Bieschke, Valli Smouse, Aaron Davies.

Others Present: Ron Drake, Jack Campbell, Ken Johnson.

1. Call to Order: 8:17 A.M.
2. Discussion and Possible Action re: Water Rights (With Participation via Conference Call by Gerry Kinghorn, Outside Town Counsel).

Damian gave an overview of how we arrived at where we are now with regard to water rights. He also mentioned that the four approved Extensions of Time to File that we just received from the Division of Water Rights are for the four parent rights. At this point, Gerry Kinghorn was put on the speaker phone. He indicated that these Extensions allow us until November, 2013 to prove up the currently unused portion of these rights. At that point, we can apply for an additional extension for the rights not yet used. This proving up period is different from the "40 year" period, which is considered a planning period for how rights will be used. This is a rolling 40 year perspective that should be regularly reviewed and updated, and the Council discussed making such a "40 year plan" for water rights a regular part of the 5 year General Plan process.

Gerry said that he will have a Water Permit Agreement drawn up within one week showing the Town of Castle Valley as a public water supplier. He also said he would contact Theresa Wilhelmson to determine how to get SITLA to remove its protest against our rights. He expects this to be a simple process, and he indicated that we can proceed on the very likely assumption that the court will confirm our rights in its ultimate judgment.

Gerry further commented that House Bill 51 makes it impossible for the State Engineer to determine in the future that the Castle Valley water rights had been forfeited unless, in the future, the legislation changes again.

Gerry stated that he believes it is in the town's interest to pursue a change application on all the Town's water rights (both those in use and those not yet in use) which would change the type of use from "Domestic and Irrigation" to "Municipal". Gerry conceded that there would probably be some additional administrative paperwork associated with this method of administering our water

rights, such as an annual water use report, but the proving up process is significantly less burdensome and the change would provide for additional flexibility in the way these rights are administered. He also commented that the Town must be able to project enough pumping capacity to provide for the total amount of the Town's water rights. He indicated that there was no reason to expect that the Division would have the interest or the authority to force the Town to build a water system if we gained municipal designation of the use of our water rights. And he indicated that the Division could not unilaterally change the status of Municipal rights.

Gerry advised that it would be in the Town's interest to support the Division's desire to close the area to further water rights allocations. This would allow the Town to manage the use of the water rights and water use in the River Rancho area of the Town with the objective that all those lots can have water rights in the future.

When asked whether the Town should begin a process of redoing existing water agreements to match them up with the new adjudicated amounts, Gerry indicated that, if the Town rights become Municipal Rights, all the agreements will have to be changed accordingly, and, therefore, it might be better to wait on this process until a decision was made on municipal rights and a change application initiated.

In charting the course forward, it was agreed that Damian, Jim and Gerry Kinghorn would meet with the Division of Water Rights in Price sometime next week to discuss long-term options for the Town as well as short-term processes for people seeking to drill wells, and that Gerry will revise the water agreement within the next few business days.

Following the conference call with Gerry, the Council discussed various options for how the Town's water rights would be allocated if they became municipal rights.

Jim motioned to adjourn the meeting. Ranna seconded the Motion. Damian, Jim, Ranna, Valli and Aaron all approved the Motion. The Motion passed unanimously.

Adjournment: 10:04 A.M.

APPROVED:

ATTESTED:

Damian Bollermann, Mayor

Denise Lucas, Town Clerk