

1 **PROVIDENCE CITY COUNCIL SPECIAL WORKSHOP MINUTES**
2 **April 3, 2019 6:00 PM**
3 **Providence City Office Building, 164 North Gateway Drive, Providence UT**

4
5 Call to Order: Mayor Drew

6 Roll Call of City Council Members: Mayor Drew, B Fresz, K Allen, R Sneddon, D Giles, K Eck

7
8 Spring Creek Water Company Board Members in attendance: Brent Speth, Sharell Eames, Ralph Daniels, Rodney
9 Kowallis

10
11 Others in attendance: Max Pierce, Rob Stapley, Chad Wooley, Craig Smith, Skarlet Bankhead

12
13 **Item No. 1.** The Providence City Council will hold a workshop to discuss the use of their waters shares in the Spring
14 Creek Water Company.

15 Discussion:

- 16 • Mayor Drew provided background information and refereed to his email dated March 15, 2019.
- 17 • D Giles explained that he felt that there should be a way to sit down and come up with a mutual
18 agreement and work these problems out with Spring Creek Water Company.
- 19 • K Eck explained that she is still in the learning process and relies on the council for their advice and
20 opinions. She felt that this should be able to be worked out and feels that pride is getting in the way.
- 21 • R Sneddon explained that a change needs to be orchestrated that moves in the direction that everyone
22 feels is fair.
- 23 • K Allen felt that it is in the best interest of SPWC and the city to work together by using the expertise from
24 both sides and the resources that each party has access too.
- 25 • Craig Smith, Water Counsel for the City, explained that he shares in the goal to cooperatively work with
26 Spring Creek Water Company. C Smith explained the city approached Spring Creek Water Company with
27 the idea to file a change application that would have to be in both the city's name and Spring Creek Water
28 Company's. This would allow the city to take water in the months of April and October that has been
29 approved for irrigation use and change the point of conversion and use for culinary. He explained that
30 cities, individuals, and companies can lose their water rights for lack of beneficial water use. He stated
31 that it could be important to put the water that is not being used in April and October to beneficial use.
- 32 • C Smith explained that Spring Creek Water Company was nervous about this concept. The first application
33 was temporary, which did get approved by the state without any real issues. He reported that the
34 irrigation company would like to have an agreement every year instead of filing a permanent change
35 application. The city filed for a permanent change application and it was approved by the state engineer
36 and is currently in place.
- 37 • C Smith would like to see the water company and the city come to an agreement that all parties would be
38 happy with. He felt that there is common ground. He explained that this would free up resources that
39 could be spent on other things.
- 40 • R Sneddon asked if the priority of water rights is the same for shareholders or if it was based on seniority.
41 C Smith stated that he understands that rights are the same for shareholders and are not based on
42 seniority, if the shares are the same class of stocks.
- 43 • C Smith explained that cities owning shares and cities having shares dedicated to them is a very common
44 practice.
- 45 • K Eck asked C Smith for clarification on the change that was made this fall at the irrigation company. C
46 Smith explained that to his understanding, the change was made that no matter how many shares you
47 have, you are only allowed one vote.
- 48 • Don Calderwood of Providence asked if there are any other water companies in the state of Utah that
49 have done what Spring Creek Water company has done: that no matter how many shares you have, you
50 get one vote. C Smith stated it is very uncommon, and he is unaware of any other irrigation company that
51 has done this. He felt that by doing this it disconnects the check writer from the pocketbook. He stated
52 that the very common and almost universal situation is to vote by shares not by members.
- 53 • Mayor Drew reported on the cleanup process on the Larsen property.

54
55 **Motion to enter an executive session –R Sneddon, second – K Eck**
56 **Vote:**
57 **Yea: B Fresz, K Allen, R Sneddon, K Eck, D Giles**
58 **Nay: None**
59 **Abstained: None**
60 **Excused:**
61 Entered approximately 7:10 pm
62
63 **Motion to close the executive session –B Fresz, second – R Sneddon**
64 **Vote:**
65 **Yea: B Fresz, K Allen, R Sneddon, K Eck, D Giles**
66 **Nay: None**
67 **Abstained: None**
68 **Excused:**
69 Closed approximately 8:20pm
70
71 **Motion to adjourn – B Fresz, second – D Giles**
72 **Vote:**
73 **Yea: B Fresz, K Allen, R Sneddon, K Eck, D Giles**
74 **Nay: None**
75 **Abstained: None**
76 **Excused:**
77 Meeting adjourned approximately 8:25 PM
78 Minutes prepared by Mindi Petersen
79

DRAFT