

**Mt. Nebo Water Agency Meeting  
November 16, 2015**

**Board Members:** Vice Chairman Gene Shawcroft, Randy Brailsford, Marty Larsen(alternate), Richard Davis, Larry Ellertson, Tyler Coon (alternate).

**Board Alternates:** Soren Christensen

**Technical Committee:** Chris Hansen, Chris Thompson, Richard Nielson.

**Staff:** S. Junior Baker, Shelley Hendrickson, Steve Clyde.

**Public present:** Darrick Whipple, Bruce Ward, Brent Ventura, Dave Tuckett, Cody Black, Ann Garner,.

Gene Shawcroft called the meeting to order at 7:30 a.m.

**Public Comment Period**

Gene Shawcroft invited public comment. There was none.

**Board Action on Adoption of Minutes**

**August 17, 2015**

Randy Brailsford **moved** to **approve** the minutes of August 17, 2015 with changes noted in an earlier email from S. Junior Baker. Richard Davis **seconded** and the motion **passed** with all in favor.

**Technical Committee Report – Chris Hansen**

- **Regional Water Study Report on Progress**
- **Action on Technical Committee report on Phase 1 of Regional Water Study.**

Brent Ventura from Horrock's Engineering explained phase one of the regional water study using a power point presentation.

*\*Larry Ellertson arrived at 7:41 a.m.*

Discussion was held regarding whether or not all seven entities are still on board with moving on to phase two of the water study. It was determined that Salem, Goshen Valley and Central Utah Water are. Marty Larsen said that he believed the High Line was but cost is a concern. Larry Ellertson said that the County had not discussed phase two.

Marty asked how willing is the agency, once phase two of the study is completed, to put in money to develop the infrastructure and save the water. He expressed that the High Line would not want to participate if, once the study is complete, that the Agency does not move forward on the study findings.

Randy Brailsford expressed that he felt it would take more than just the current seven entities to develop infrastructure and save water and that the agency is going to have to reach out county wide.

Richard Davis said that he felt they were going to have to all go back to their boards and reach out to the City Councils and talk to them. He also expressed that they would need to talk to the canal companies and get their say on what they want to see and get them all tied in.

Steve Clyde explained that when the Agency was put together it was to do planning. Project specific construction was going to be done by those who were going to benefit from it and costs would be isolated to those who would benefit from it. If we are going to build pipeline somewhere; parties or entities, whether they are part of this organization or not who may wish to get involved can do so either by contract or otherwise. No one has committed to spend money on infrastructure; at this point.

Chris Thompson said that a lot times if you have a good plan that when a development comes in you know how to steer that development and base impact fees based on these types of studies. He said that you will never regret planning it out and knowing where you are going ahead of time.

Richard Davis said that he felt it was really easy with Cities but expressed that he still felt it was important to contact the canal companies and anyone else in the Agency boundaries and tell them what we are doing and get their input.

Marty Larsen said that he believes that it is an education process and the study alone will not do it. That the Board has got to explain to them the priority of saving water and deal with the impact.

Richard Davis said that is the right thing because that is where people have been scared by this Agency. They are afraid that we are going to take their water. Not to conserve their water and help them use it beneficially.

Marty Larsen is concerned about doing a lot of planning but when we actually go to do something about it people will disappear because it actually costs money or skin in the game. It would be a waste to do all this planning if no one is willing to take the next step.

Gene Shawcroft said that the Agency had talked all along about the second phase becoming a project. He expressed that he felt what needed to happen now is to find out who wants to participate in the project and their willingness to participate in the project and reach out to those who are not part of the Agency but who would likely be part of the project. He asked the Board how they would like to move forward. Do they want to make assignments to approach some of the people who are not at the table. He said he felt that now that the Agency has the phase one study information they can share it. Leaving it in draft form is good. Pull together those entities that are really interested in the project and bring that to the Board as to who is in and out and a proposed budget.

Brent Ventura told the Board that the Chairman, Warren Peterson, had reviewed the draft phase one study.

Richard Davis said that he felt Mayor Brailsford should talk to other mayors and other members of the board could go out and talk to other City Councils etc.

Discussion was held regarding Brent Ventura and a member of the board going to other Cities' council meetings and giving the phase one study presentation, compensating Brent for his time. They need to talk to Juab County, residents in Utah County (irrigation companies) to see whether or not they want to participate.

Chris Thompson explained that a lot of the reason that the County was high on the list for this study is because the benefits and the needs were in large unincorporated areas that are thinking that they will incorporate and they do not have a plan for their water needs when they incorporate.

Gene Shawcroft articulated what action the Board would take relative to the phase one water study. The Board assigned the Technical Committee to work with Horrock's Engineers to make contact with the entities that are not part of the Agency but are listed on exhibit 8 with addition of the agricultural community and Juab County to solicit their participation in phase two which this Board has not yet taken action on but have the intention of creating a project wherein the Agency members and those who choose to participate in the project. Costs would be divided amongst who participates in the project.

Discussion was held regarding compensating Brent Ventura for the time he will spend going to other entities and presenting the phase one study. Junior Baker indicated that there were funds in the budget for the study available to pay for his services.

Soren Christensen expressed that he felt, once the study was complete, that they would find that there will be many more uses than water to go around and what are we going to do at that point. Are we going to be a body that will control water usage particularly on ground water. Gene Shawcroft said that he did not know with the State Engineer's role on ground water and with the planning efforts of the individuals and entities he did not know that anybody has a good answer for that yet.

**USU Interviews – Tyler Coon**

Tyler Coon explained that he had sent out an email to board members and other stake holders with an invitation. The invitation is to participate in a research study that deals with agricultural to urban conversion of water in the State.

### **Public Outreach Committee Report – Randy Brailsford**

Randy Brailsford did not have anything to report.

### **Highline Canal Encroachment Update – Marty Larsen**

Marty Larsen said that they had the canal breach this summer and that is a concern. As they move forward it becomes more and more of a concern and there are a few things that they have to do and cannot wait 10 years. As they calculate the length of the canal Payson takes 3.03 miles of the canal and Salem takes up about 2.65 miles, which together is one third of the canal. The Cities continue to develop, annex and expand creating a big impact on the canal from the growth. The High Line Canal has to do something. They have several options. One, they can install a liner but that does have bad parts. It blocks off too many trails for open space, evaporation and canal loss. Second, they can install low pressure pipe and piece meal the project by starting with the high risk areas where development is and finance accordingly. Third, they can high pressure the pipe but would need the full length of the project funding wise. The easement on the canal, in the next five years, will look very different in some areas. You can see it is looking somewhat different today. The difference will be that there will be houses right next to it. The risk factor will be greater and the loss of life will increase. There is a mindset that if the farmers would quit selling their ground to developers. It's their fault we should charge them but the fact is the farmers need the water. The High Line needs to come up with some ways to do it. One way is that the canal is held by shareholders and we can say that the shareholders, in the high risk areas (they are the Cities) bear the cost. When we go to do our budget we can say Payson has three miles, Salem has 2.65 and just raise those assessments and assess what it takes to do the job right; or, the reason he is bringing it to the Mt. Nebo Agency is because the impact is more wide spread. It falls into the same category as our phase one study. Everyone is a participant and should participate. If everyone participates it will happen or if you just burden a few it won't. He feels that the Mt. Nebo Agency could help with the impact, otherwise it has to be done and they will just put the assessment on those individuals where the growth and annexation is happening; which would make water in those areas extremely expensive. The difficulty he feels they have whether it be a City or the High Line is we are elected or put in by our shareholders and none of us want to raise taxes or collect money making it more burdensome. He expressed that he felt as soon as you start asking for money is when projects stop. He said that he felt the Mt. Nebo Water Agency was set up to be a taxing agency and that it could collect through property tax. Junior Baker and Steve Clyde said that the Mt. Nebo Water Agency did not have the ability to tax, that the High Line would have to collect through fees. Marty continued to explain that The High Line has to collect money and they can raise assessments and give a sticker shock to the Cities, where their assessments triple, or they can bring it to Mt. Nebo and see if they can spread it on many shoulders to share the burden. He asked for input and feedback as he said that the High Line's only option when they do their budget in a few months is to raise assessments.

Randy Brailsford said that he appreciated the High Line's concern with Salem's population. It will be the High Line's biggest law suit if the canal breaches again but lets say it breaks in the County area. An area where you are not talking and you have a canal closure for several, two or three weeks. You might be flooding farm ground but you are still not providing the service you were intended to do. It is not going to fly if you are going to impact people who are not a stock holder. He said he liked if you are a stock holder you are charged per share. He thinks that is fair but just to put a property tax on everybody will not work. He asked Marty Larsen if the High Line was capable of paying for what needs to be done or are they going to need some outside help.

Marty Larsen said that the farmers could not bear the burden of piping. Randy Brailsford asked him why he thought the City residents could bear the burden. Marty said that the farmer has agricultural ground that he makes money but homes have been built along the canal. The developer is making the money. They cause the impact. The money should be collected when the impact is imposed. Randy asked Marty if he was talking about those that build and live along the canal or the people that live a mile and a half away from it. Marty said if it is too expensive to build along the canal then maybe they shouldn't build there. If the detriment and the risk is too hard, they should develop elsewhere.

Randy Brailsford said when you talk stock holders and shareholders are you talking all of them and the agriculture people or just someone who is a homeowner?

Marty Larsen said that when the Cities annex and the boundary of the canal gets bordered that the High Line will put that on the Cities; so, the Cities assessments would go up.

Richard Davis asked Junior Baker if there was an impact fee that could be collected. Junior Baker explained that it would be difficult. Impact fees have to be for future growth to the extent that you are benefiting existing users you can't use that.

Steve Clyde said that he did not feel it could be done through impact fees but could be done through zoning and setbacks to impose requirements that will not allow building encroachments within the canal easement itself. In many cases the canal will cross lands and people want to get across and that provides an opportunity under the law to get the developer, as a condition of approval, to line a section of the canal. That is not an impact fee, but the owners of the canal saying that by statute you cannot mess with our canal. It helps protect against breaches. He told Marty Larsen that the High Line was going to have to prioritize and look at where the biggest risks were and that it was his shareholders that would be tagged with a judgement if the canal breaches and whether the farmers want to pay it or not the reality is if they don't do something that it is one thing to flood hay fields, it's another to flood multimillion dollar homes that are getting built along the hillsides and when that happens it is the shareholders that are the ones at risk because the judgement ultimately has to get passed by the company to its shareholders. So they have either got to carry an awful lot of general liability and flood insurance or you need to prioritize with your engineering study to get in and deal with the reality of it as it is cheaper to fix it than pay for the damages.

Marty Larsen said that the message that he brings to the Board today is that the Cities can expect an excessive increase in their assessment at this point. Steve Clyde said that is fine because they are a shareholder and every shareholder is going to bear their proportionate share. Randy Brailsford said the key was every shareholder. Marty Larsen said yes, every shareholder but that they would take into account risk factor into that.

Marty Larsen explained that due to the breach that the Bureau has put some stipulations on things that the High Line has to do which is vegetation removal. So you will see vegetation removal and where it is an open canal you will see that it is bare and they will be lining high risk portions of the canal and they will try to make those areas pay for the cost. They will also have to increase monitoring. They have identified development encroachment areas and have come up with a plan.

Discussion was held regarding the removal of the vegetation along the canal. The Bureau standards will not allow vegetation of any kind. Darrick Whipple explained that when you have any sort of vegetation you encourage rodents to come in. Even green grass gives them cover and food. It also makes it harder for the people to see holes and so the Bureau has said any vegetation from trees down to grass must be removed. Darrick Whipple explained that the High Line would go through and remove the big stuff, chip the branches and burn. It will be a process throughout the off season. Randy Brailsford and Richard Davis expressed concern relative to vegetation removal as they feel that vegetation helps bank stabilization. Darrick Whipple said that due to the breach the Bureau has given them an outline of what they have to do, that they do not have a choice. They are to clear the canal of any vegetation.

Marty Larsen said that at this point the High Line is going to make some financial decisions on budget next year and they will do it based on if it is just the shareholders participating they are going to do what is most economical for them. If there is other input such as trails, low pressure pipe, other alternatives to explore that others would benefit and have to participate. It goes to the same concept that if we want to do it different and better those who benefit need to contribute but if we are just worried about the people who are paying for it we will do what benefits them the most. Randy Brailsford said that he was not disagreeing that the work needs to be done but that his concern was fairness. He said for years the High Line has been charging municipalities extra money for delivery of water; a lot more than the farmers. He asked where that money went to and what it was for if it wasn't to help the impact. Marty Larsen said that they have that divided up and that Darrick Whipple could sit down and explain it with him. Randy Brailsford asked if they had been putting away any money. Marty Larsen said that they had been doing things as they go and so they are going to raise assessments as they go. Randy Brailsford asked if the agricultural shareholder assessments would go up and Marty Larsen said yes but that it would be proportionate to the risk in the area.

Discussion continued regarding the High Line's assessments. Tyler Coon said that he was glad that Marty Larsen had brought the concern to the Board. He said that he felt there were a lot of bright minds on the

Board that could figure out ways to help finance what the High Line needs to do but that the Agency would need to see more concrete ideas, plans, and options.

### Meeting Schedule

- Next Meeting: February 22, 2016
- 2016 Proposed Meeting Schedule
  - i. February 22
  - ii. May 16
  - iii. June 20
  - iv. August 15
  - v. November 21

Marty Larsen **moved to accept** the 2016 meeting schedule. Richard Davis **seconded** and the motion **passed** with all in favor.

### Other Business

S. Junior Baker said that he had read an article in the Salt Lake Tribune that talked about ground water use. He will have Shelley email it to everyone so they can read it. He then handed out a paper copy of the current Agency finances. He said that this is Richard Davis' last meeting and thanked him for his service.

Larry Ellertson **moved** to adjourn. Marty Larsen **seconded** and the motion passed with all in favor at 8:40 a.m.