

**Mt. Nebo Water Agency Meeting
February 22, 2016**

Board Members: Chairman Warren Peterson, Vice Chairman Gene Shawcroft, Randy Brailsford, Mike Mendenhall.

Board Alternates: Soren Christensen

Technical Committee: Chris Hansen, Chris Thompson, Richard Nielson

Staff: S. Junior Baker, Shelley Hendrickson, Steve Clyde, Marcus Faust (via telephone)

Public present: Norm Beagley, Keith Broadhead, Garrick Hall, Bonnie Roos, David Tuckett, Mark Sorenson, Ty Ellis, Jeremy Sorenson.

Warren Peterson called the meeting to order at 7:36 a.m.

Public Comment Period

Warren Peterson invited public comment. There was none.

Swearing in of new board member

- Spanish Fork City Board Member – Mike Mendenhall

Shelley Hendrickson administered the oath of office to Mike Mendenhall.

Board Action on Adoption of Minutes

November 16, 2016

Chairman Warren Peterson expressed that it was his impression, from reading over the minutes of the High Line Canal enclosure was something that if he were from the High Line Canal Company would want to take another shot at it. He felt that there were a number of questions and areas where more specific information would be productive as a record. He suggested that the minutes be tabled in order for the High Line Company to look over the minutes.

Gene Shawcroft **moved to table the minutes of November 16, 2016**, until the next board meeting, noting that a representative from the High Line Canal Company was not present. Randy Brailsford asked what the intent of the motion was; if the intent was what the High Line wanted to say or what the minutes reflect

was said. Gene Shawcroft expressed that the intent of his motion was to make sure that the High Line has a chance to review the minutes to assure that they accurately reported the information presented in the November 16 meeting. Randy Brailsford **seconded** the motion. Chairman Peterson said the motion was not the intent to remake history but to accurately report what occurred in the meeting. The motion **passed** with all in favor.

Technical Committee Report – Chris Hansen, & Action on Technical Committee Report On Regional Water Study

- a. Regional Water Study Report on Progress into Phase II**
- b. Other Entities Contacted**
 - i. Irrigation Companies**
 - ii. Juab County**
 - iii. Other Municipalities**
 - iv. Others**

Chris Hansen handed out hard copies of the regional water study phase cost break down that was discussed in the last board meeting. He reported that phase I of the study was almost complete. He reminded Board member that in the last meeting the Board gave the technical committee some specific assignments regarding Phase I of the regional water study. Some of that work involved contacting some other entities that wish to be involved or that the Board would like to see involved in the Phase II of the study. He reviewed the cost break down and who the technical committee had determined were the major players.

Randy Brailsford said that there were some cities that wanted to be involved that were not reflected in the cost break down.

Chris Hansen said that the committee looked at a probable cost of \$280,000 for phase II of the project and proposed an allocation to the agency members and others who may want to participate. They are now looking for direction from the Board and the cities and communities involved if they have any questions as to the process. Chris Hansen said that the technical committee met with Elk Ridge, Juab County, Goshen, Genola, Santaquin, and Woodland Hills. All were interested, with the exception of Juab County, but all indicated that they are already paying SUVMWA (South Utah Valley Municipal Water Association) and had asked what were they going to get by paying again and what will the cost be. Chris Hansen asked the Board for direction as to moving forward with phase II or do more delineation about what the costs are and discuss bottom line dollars with specific communities.

Gene Shawcroft asked how well defined the scope of phase 2 was. Chris said that the Technical Committee members handed out, in the last board meeting, a description of the scope of phase 2 and the cost estimates are based on the scope of work provided. He expressed that he felt the scope was very well defined.

Chairman Warren Peterson expressed that each participant, whether an Agency member or not, needed to look at the scope of work closely to see it affects the particular member agency or participant.

Chris Hansen expressed that he felt that is what the Technical Committee had already done.

Chairman Warren Peterson said a question was appropriately raised as to SUVMWA's role in this; namely, which way does a member of SUVMWA turn, whether to this study as stated in at the scope of work, or elsewhere, and to see whether that particular agency benefits and whether or not this study provides something that is not being provided by SUVMWA. The scope of work is the pivotal document for us moving forward. Speaking from the viewpoint of the Goshen Valley Local District, he said GVLD has need of a long range plan and if GVLD's needs are met by phase II of the Mt. Nebo Water Agency study it will be a better long range plan because it is integrated with the other agencies, He felt that it was unfair to the Technical Committee to try and guess what the Board wants and the Board would need to take some time, whether in this meeting, or with a subcommittee or some other arrangement between the Board and the Technical Committee to come back to the Board with a specific recommendation that has also been vetted out to the other agencies that would be paying the bill; making sure that they are satisfied with the scope of work.

Chris Hansen explained that the scope of work came from Horrocks Engineers and that they had done a great job on it but some individual input from those affected may very well drive changes that would be beneficial to the entire study.

Chairman Peterson gave the Technical Committee the charge to meet with each entity that will be participating in the study to have them look at the study and sign off on the portion of the study that directly affects them as well as commit to the cost(s) associated with it. The Board members concurred.

Richard Nielsen reported the County's position; which is that, with the County being the only agency that is not a water purveyor, the County officials are looking at this study as a planning tool for the County as the water resources will come from the member agencies to serve the unincorporated County area, whether through Central Utah Water Conservancy District, one of the cities, or another water agency. They want to participate, but to a lesser degree and at less cost than what has been represented. He said Utah County is not a water provider and will likely never be the water provider.

Chairman Warren Peterson asked Richard Neilson if the County wants to participate to a lesser degree, does that would mean there would be less planning directed at the County and who should the contact be within the County organization to help direct the desired level of planning. Richard Nielson said it would be him or Commissioner Ellertson and that Commissioner Ellertson felt the County's water interests are more represented through Central Utah Water Conservancy District.

Discussion was held regarding annexation policy boundaries and areas that would remain unincorporated.

Soren Christensen noted that for the smaller cities, such as Elk Ridge & Woodland Hills, the cost allocation is higher and asked Mr. Hansen to explain the rationale for that. Chris Hansen said it was because of the

areas in their Cities for potential growth. He said there may be studies that have been done that the Technical Committee did not have access to when phase IPhase I of the study was conducted. The Tech Committee looked at the future for long range planning and not so much the present.

Keith Broadhead, representing Santaquin City, said that they would like to be involved but at a minimal cost of \$4-6,000.

Chairman Warren Peterson suggested that moving forward there needs to be discussion between the Board and the Technical Committee before the next Board meeting so that specific recommendations could be made on how to move forward with Phase III of the study.

Chris Hansen said that the action is to delineate what phase IIPhase II would entail, incorporating what the cities would be paying for; what is important to them, and what is not important to them, allocating numbers accordingly to a degree that is both acceptable to each participating City and to the Board.

Discussion was held regarding the cost allocations.

Gene Shawcroft expressed that by the May meeting the Board, and to the degree any other entities that choose to participate feel comfortable with the scope of the study, the cost allocation should be determined. He does not want the Board to be in the same position in May as today. Also, he said the Board should be prepared to decide whether to advertise Phase IIphase II of the study and whether award the Phase II work to Horrocks Engineers phase IIwithout soliciting further bids.

Randy Brailsford **moved** to approve that the Technical Committee will continue to meet, figuring out who does and does not want to participate in Phase II of the phase IIstudy, with a scope of work and commitment to pay and report back to the Board in May. Mike Mendenhall **seconded** the motion.

Discussion was held regarding the motion. Randy Brailsford **amended** his motion to include Horrocks Engineers to include this additional work as a change to the scope of work for Phase I of the study. Mike Mendenhall **seconded** the motion. Discussion was held regarding the budget and change orders. The motion **passed** with all in favor.

Chris Hansen said that they are still trying to open a dialogue with the irrigation companies. Richard Nielson said that Juab County commission was very receptive and have a desire to be a part of the study, but their big concern was cost.

Gene Shawcroft asked the Technical Committee to get a copy of the supply and demand study that Juab County had prepared.

Warren Peterson explained that if an entity that wants to become a member of Mt. Nebo Water Agency they need to make a request, in writing, to the Agency.

There was consensus among the Board members that if an entity wanted to become a member of the the Agency that they would not have to pay any retroactive fees or start- up costs. No formal action was taken on this issue.

Discussion was held regarding growth and the affect it has on individual cities and Utah County and on the Agency budget.

2016 Legislature – Water Bills Update – Steve Clyde, & Action On Water Bills Update

Steve Clyde reported on a series of bills presented during the 2017 General Session of the Utah Legislature. They were as follows: Senate Bill 28, Senate Bill 23, Senate Bill 75, House Bill 222, House Bill 305, House Bill 218 and Senate Bill 116. Discussion was held regarding House Bill 218 and companion Senate Bill 116. As written the bill would basically gut the corporate governance of any mutual water company. It would remove any kind of corporate transfer or restriction and basically vest an actual title interest in the company water rights in each shareholder. Steve explained examples of how this bill would affect corporate governance and asked the Board to oppose this bill given the importance of the irrigation water in this community and the ability of these companies to function without chaos and anarchy. Steve expressed he felt this bill needed to fail.

Discussion was held regarding the Board's position.

Randy Brailsford **moved** that the Mt. Nebo Water Agency **oppose** House Bill 218 and Senate Bill 116, as written, and in particular the creation of ownership interests in shareholders and the limitations on the ability of a mutual company to govern its own affairs. Mike Mendenhall **seconded** and the motion **passed** with all in favor. Steve Clyde was authorized to represent the Board's position to the Legislature.

Public Outreach Committee Report – Randy Brailsford

Mr. Brailsford did not have anything to report.

Highline Canal Encroachment Update – Marty Larsen

Marty was absent from the meeting.

Meeting Schedule

- **Next Meeting: May 16, 2016**

Other Business

Marcus Faust explained that on February 9th the Department of Interior released a budget request for the Central Utah project which could adversely impact the future water supply for south Utah County. He further explained why he felt it was important for the Agency to support the Central Utah request that Congress appropriate thirteen million dollars in the next fiscal year budget rather than the \$5 million budget request proposed by Department of Interior.

Gene Shawcroft said that it appears the issue of water and Washington have not seen eye to eye and suggested that the Agency do everything that they can to keep their delegation apprised of the importance of water for the future.

Discussion was held regarding the type of action the Agency could take.

Gene Shawcroft **moved** to **authorize** a letter to from the Agency to our congressional delegation and the Department of the Interior encouraging support for funding of the Central Utah project from this Agency. Randy Brailsford **seconded** and the motion **passed** with all in favor.

Junior Baker handed out a report on the Agency finances and explained that the State Auditor requires the Agency to have a certified chief administrative officer or a financial officer. Gene Shawcroft **moved** to appoint Mike Mendenhall as the Chief Financial Officer and Treasurer. Randy Brailsford **seconded** and the motion **passed** with all in favor. Gene Shawcroft **moved** to appoint Warren Peterson the Chief Administrative Officer. Randy Brailsford **seconded** and **passed** with all in favor.

Gene Shawcroft **moved** to adjourn. Mike Mendenhall **seconded** and the motion **passed** with all in favor at 9:02 a.m.