

MT. NEBO WATER AGENCY
February 13, 2017

Board Members: Chairman Warren Peterson, Gene Shawcroft, Marty Larsen, Soren Christensen, Nathan Ivie.

Board Alternates:

Technical Committee: Richard Nielson, Chris Hansen, Bruce Ward, Norm Beagley, Chris Thompson,

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

Public present: David Hathaway, Richard Noble, Roger Barrus, Jeremy Sorensen, Garrick Hall, John Mendenhall, Ann Garner, Darrick Whipple, David Tuckett, Keith Broadhead, Lonny Ward.

Chairman Warren Peterson called the meeting to order at 7:34 a.m.

Public Comment Period

Jeremy Sorensen reported on the last Strawberry Water Users board meeting. He said that Scott Phillips was elected as the new President.

SWEARING IN OF NEW BOARD MEMBERS/ALTERNATES

Shelley Hendrickson administered the oath of office to Nathan Ivie. He is the new board member for Utah County.

BOARD ACTION TO APPROVE MINUTES – November 21, 2016 meeting

Soren Christensen **moved** to **approve** the minutes of November 21, 2016, with the submitted corrections. The motion **passed** with all in favor.

TECHNICAL COMMITTEE REPORT – Chris Hansen

- **Regional Water Study Report on Phase II (Who is Participating)**
- **Approve Contracts with Participants**

Chris Hansen reported that the Phase two study is moving along. Hansen, Allen and Luce are doing a great job. The Technical Committee has met several times with them as they are asking for input and compiling information from other sources too. The committee has also been tasked with helping Junior Baker and Steve Clyde in drafting a participation agreement. It was agreed in the Agency's last board meeting to send out 50 percent of the projected assessments. He said that the Committee would need to finish up the contract and get it out to everybody. Commitment letters were written by all of the participating entities when we formulated the project. He will re-compile the letters and put them into a contract.

Junior Baker explained that the Board previously approved the form contracts for both member and nonmember participants. What he would like to get from the board is the authorization to get the assessments invoiced. He further explained the importance of Board action so that the assessments can be collected.

Chris Hansen said that he will compile a list and circulate the contract to the Board.

Discussion was held regarding the Board taking action on invoicing a final payment to each of the entities.

**Marcus Faust joined the Board meeting via the telephone at approximately 7:44 a.m.*

Marty Larsen **moved** to direct the Technical Committee will go through the approved agreement draft and with help from counsel fill in the necessary parties. Circulate it to the board for comment and if there is none they will be mailed out. Gene Shawcroft **seconded** and the motion **passed** all in favor.

Richard Noble from Hansen Allen and Luce reported that they were making good progress on the Phase II study. One-third of the budget of the project has been spent. They gave the Technical Committee an update last Tuesday in the monthly progress meeting and distributed some preliminary information but that the information still needed internal review. As suggested by the Board in their last Board meeting, they did a population projection comparison between the Governor's Office and Envision Utah. He said that for most of the municipalities the numbers are close. The wild card is the Local Valley Goshen District. They are using the Governor's office numbers for the Cities and Towns and for the Local Valley Goshen District they are using a hybrid between the envision Utah and some of the numbers from local area plans. By 2060 we are looking at an estimated population of close to 320,000 people in this area. The current 2016 population was 91,000. In conjunction with the population estimates they have looked at the projected water needs for municipal areas and also tabulated the agricultural demands. They compared current demands with future demands. The total demand with municipal and agriculture is about a 120,000 acre feet demand currently and for the future it's 120,000 acre feet and that is because as the agriculture land develops and becomes municipal the water that comes off of that land will be converted to municipal use. This speaks to the importance of not letting that water be sold off outside of the area. It needs to stay here in order to address future needs. They have also looked at groundwater and got the USGS groundwater model and looked at the importance of that and were able to subdivide the aquafer into 6 different sub areas based on where the recharge comes from and the reason they did that is so when we start looking at artificial recharge we can know where that recharge needs to occur. They have a pretty good handle on the current water rights that are owned by the cities but have now looked at the water rights that are on the outside of the City boundaries but are within the proposed annexation boundaries so they can get a good handle on what water rights can be expected to come into each one of the cities.

Marty Warren asked if they had included water rights that would go into agriculture or instead of just the municipal growth.

Richard Noble said that they were looking at the yield of the current rights versus the hydrology. He said that they were still trying to figure out a safe yield of the aquafer and if there is any more ground water that can be used for other purposes, agricultural or whatever, without going into a mining type of situation where we max out the ground water and the aquafer declines.

**Steve Leifson arrived at 7:52 a.m.*

Chairman Warren Peterson followed up on what Marty Larsen was saying and said that there were two things going on. Looking at the amended and restated agreement one of the key functions is to preserve agricultural production in these service areas. What Richard Noble said looks a lot like the conventional wisdom you convert agriculture into municipal or other uses. The second thing is that Utah County has just gone to considerable length to look at how to preserve agriculture in the Benjamin, Santaquin and Payson areas. He would not want to lock us into a model that just assumes agricultural conversion and asked Richard Noble to address whether or not they were looking at an alternate scenario.

Richard Noble said that they were looking at the total area and as far as agriculture goes we know there is the Lakeshore Benjamin area that is likely to remain agriculture and so they are making sure that there will be adequate water supply for that area. As you get into the Cities and their future annexation boundaries as population increases and the Cities move into that area it is just a natural consequence unless you go vertical with the growth. Warren Peterson agreed and said that is one of his questions, what are your density assumptions. Richard Noble said that they still need to refine it but right now they have looked at the annexation boundaries of the Cities and the water within that and if they fully move into those annexation areas because some of the Cities say they are projected to reach buildout by 2060 which means it is the demise of agriculture so to speak within the areas. He said that he was not prepared to speak specifically on that issue but that they could look at recommendations in the study to play with density and things like that with the goal preserving agriculture. Chairman Warren Peterson said that is what he was getting at and explained why.

Nathan Ivie asked Richard Noble if they were calculating the impact that those current farm areas are having on the recharge of the aquifer and the affect that will have as those transition out. Richard Noble said as far as ground water that they had looked at the current situation but had not gotten far enough yet to predict future conditions.

Chairman Warren Peterson said the other question that he had was with the groundwater modeling. He knows that the Division of Water Rights and UGS is working in the area. Here in the southeast part of the county how are you going to tie into those efforts. Richard Noble said that they would be bringing that into the study.

ACTION ON TECHNICAL COMMITTEE REPORT ON REGIONAL WATER STUDY

Discussion held above.

EXECUTIVE COMMITTEE REPORT

There was no discussion.

WATER RESOURCE MANAGEMENT COMMITTEE REPORT – Soren Christensen

- **Board Action on Water Resource Management Committee Report**

Soren Christensen said that they had their first meeting and centered on what the committee's objectives are. They looked at what could be a very narrow approach in just talking about water transfers or expand it over to a wholesome look at the water resources in the area. We have a long way to go but felt that the primary objective should be to try to fill a vacuum that exists in the south county and to act as a steward of water resources in the area

and this would include monitoring and protecting our underground aquifer as well as monitoring and protecting some of our surface water resources. We know that there will be a lot of valuable data unearthed in this Phase II study and we may want to follow that up at some point with a regional ground water study and take advantage of convolving some of the work that has been done by many other municipalities and entities. This started with a discussion on water transfers and how this is working and not working in some areas. We know that almost all of us have taken water transfers from outside of the area and we want to put a stake in the ground that this is history and we will need to move. Want to establish a consensus approach to this issue going forward in the short term. A longer term is to work with our legal advisors on the Committee and hope to formulate an approach with the State Legislature and the State Water board to influence change on how we can take a different approach on this. Other areas where the Committee thinks they want to get in on are water recharge and provide input on water shed management issues.

Chairman Warren Peterson asked what the next steps would be. Soren Christensen said the next step is to meet and start formulating recommendations that we can bring back to this body.

No board action required at this time.

STATUS OF ADDING NEW MEMBERS

- **Discussion about Amended Interlocal Agreement**
 - i. **Santaquin**
 - ii. **Strawberry Water Users Association**
- **Board Action on New Member Requests**

Chairman Warren Peterson said that the Board had requests from Santaquin, Genola and Strawberry Water Users and had acted in previous meetings on the Santaquin/Genola requests. He asked Junior Baker to bring the Agency up to date on those two requests.

Junior Baker said that he prepared an amended inter-local agreement and submitted it internally for review and got a few changes back. He then sent the amended agreement to Santaquin City's attorney who recommended some changes that were not significant. Steve Clyde reviewed them and accepted some of the changes. Junior Baker anticipated reviewing the two versions and seeing if we can't get a final version. He knows that Santaquin City has approved the inter-local subject to final legal review so they are ready to go. He said he felt it would be appropriate to go over Steve Clyde's version.

The amended agreement was projected electronically. Steve Clyde said the first concern was how we go forward with this agreement and concluded that it was better to basically amend and totally restate the agreement rather than attempting to amend certain paragraphs. That way we have one document to look at instead of trying to deal with multiple documents and trying to figure out what has been changed and what has not. Throughout the agreement it has just been amended and restated.

Discussion was held regarding changes to the inter-local agreement.

Discussion was held regarding the various agencies getting the agreement onto their agendas for approval.

Membership Request for Strawberry Water Users – Chairman Warren Peterson said that he knew this had been item of request before and that he missed the meeting when the committee reported back on the membership request. It is on the agenda again to either move it forward or not move it forward so what is the pleasure of the board?

Marty Larsen said that he felt where the committee was made up of a City (Payson, a District (Central Utah Water) and agriculture (Strawberry) that the committee went through and discussed it and was an unanimous recommendation by the committee to was not at this time but to visit it yearly. Where this was brought up two meetings ago, going against the committee recommendation, that it be yearly and also feel that there is possibility there after some things pan out.

Soren Christensen said that there is change in leadership at Strawberry. The audit is now public and everyone is working on dealing with that and that he felt it may be premature to consider it at this time but perhaps the next quarter.

Gene Shawcroft said that it was his recollection that the Strawberry board had elected to not participate in the project but requested to be on the Board and was this correct. Jeremy Sorensen said that Strawberry did not want to discuss participation in the project until they knew where they were at on the Board. Gene Shawcroft said that his thinking and part of the group thinking was that Strawberry was interested in participating in the project along with participation in the Board; not just participation on the Board. Jeremy Sorensen said and that may be but they did not discuss that. They want to know where they sit on the Board first. Gene Shawcroft said his thinking was the other way around that if they are going to participate in a project; which, means they are willing to participate in what we are doing makes a whole lot more sense than participation on the Board which the real action that we have going on right now with the Board is the study and that is where we have tried to encourage folks to participate and bring information to help complete the study.

Chairman Warren Peterson explained that the Board had talked about different levels of which participation could occur. One of them is as a member of the public or interested water use and we make provisions in the Board meetings for those discussions to occur as the first agenda item of the meeting. The second level would be to participate in a project and a third level to be a full membership by contract. What he said he was hearing was that Strawberry did have an interest in the second level.

Gene Shawcroft said that he understanding was that that is the offer that has been on the table since day one and we have actually encouraged it when we created an inter-local agreement that is one of the things that we wanted to make certain is that all could participate in a project whether they were members or not. He said that the Technical Committee had done a tremendous amount of outreach to try and invite people to participate in that. He said that both Santaquin and Genola were interested and are participating in the project so that is he understanding as to why the Board felt comfortable with them coming onto the Board because they were anxious to participate in the project.

Chairman Warren Peterson said then we have something of a catch 22.

Marty Larsen said that he feels very positive with Strawberry Water Users and hopes that things can be resolved and work forward. He does not think it is healthy or good to go into all of the reasons why there is a problem or concerns because he feels that they can be resolved over sometime. The rules say that any one entity can deny a request and

it takes a unanimous vote and suggested that at this time as the Highline representative that he would vote no and there did not need to be any further discussion and to drop it and move one for one year.

Gene Shawcroft said that he would only add to that with regard to participation in the project that the project is moving forward. We only meet quarterly. He does not know what the completion date is for the study but it would be nice to know if Strawberry is interested in participating in the project as we are moving along because that opportunity will soon be gone.

Soren Christensen said he would encourage Strawberry, as a show of good faith, to join the project so that we can work together and assess the membership in the future.

Chairman Warren Peterson asked in the proposed agreement, what is the governing committee for the regional water study. How is it constructed? Junior Baker said that each participant has a member assigned to work similar to the Technical Committee and they all work together and have a vote on that level.

Jeremy Sorensen expressed his feelings not that of the Strawberry Board, that what has been said are contrary to what has been said in the past when the group was created. When it was created, the idea was to have a group to help solidify the water community and that if there was a project that was completely separate and now you are saying that well we will consider you if you join our projects and to me that is contradictory. The Board is separate from the projects.

Chris Thompson said that's more of a discussion if there was a specific project between two cities or entities we wouldn't want them to feel like they are obligated to be in that project. Probably the reason why Nebo Board feels like this project is critical is because it is all encompassing of every area and so this is a different project than maybe a project that someone localized to one entity. This is a different project as it involves all entities. He can see why the Board would want everyone involved with this project. If Strawberry were adopted into the Agency would you commit to joining the project? If Strawberry were on this Board today, and not participating in this project it would be disingenuous because it is such a comprehensive project.

Jeremy Sorensen what if Strawberry says that they will do the project and in a year, no, we do not want Strawberry on the Board and then the next year and so on. We are throwing money. For example we have spent money for SUMWA and were told we will find you a seat and put you on the technical committee and it did not happen. In looking at the future of there is no guarantee that you will be on the Board but we will spend your money.

Chairman Warren Peterson asked if there was information, as we are trying to put together this comprehensive regional study is there information that Strawberry Water Users would have that we would need in order to flush out the whole scope of the study.

Richard Noble said that they had some general information that Strawberry Water Users has some specific ideas about use of strawberry water project and lands that strawberry water users own that are not being incorporated into the study that could be.

Discussion was held regarding that all along even if an entity didn't want to join the Board but wanted to participate in the project that they would definitely have a seat on the Technical Committee because that is what the committee is doing.

Chairman Warren Peterson requested that Jeremy Sorensen report back to his board that by being part of the project they will be part of the governing committee of the project.

Steve Clyde explained that the interlocal agreement in section 10 says that a new member is not required to participate in a project.

Chris Hansen said that the Board had talked about that several times and that is Jeremy's point.

Marty Larsen said that he did not feel it was a requirement that Strawberry Water Users be part of the project to join he just thinks that for unity and so forth that some issues need to be resolved but at the time that there is a project that they could join and be involved and so forth and at that time we ought to reconsider it and do that on an annual basis because at this time maybe it does not serve that purpose but in the future, a year from now, or when the next thing goes. He does not want to do too much ruling now as things can change.

Chairman Warren Peterson said that there was another wrinkle and that was that the Board would have to vote for a new membership to be added to the inter-local agreement but the inter-local agreement does have to be approved by each member.

Steve Clyde said that section 10 of the inter-local agreement is where it is governed and it says future members and future members are accepted when the board has approved the application. The governing boards of all members have approved further amended and restated in the inter-local agreement and fees have been paid. You could perhaps argue that Board action because of the early provisions is on board action is majority vote but there is an overriding veto because the governing boards of each of the member organizations have got to approve the amended agreement and if one of them does not then it fails.

Chairman Warren Peterson asked how that works with Utah County and the Highline. Steve Clyde said that is a good question and those they have voted on everything since they have been a member of the Board. He didn't see how you could say they aren't entitled to a vote if that is where you are going with that.

Junior Baker said what you have got to do there is trust that the County basically has two votes in a legal sense. His hope and desire would be that if Highline had an objection that the County would refrain from signing off recognizing their value as a member.

Chairman Warren Peterson asked for a motion and if there was no motion to approve there was nothing to move forward on.

Gene Shawcroft said that he would not make a motion but would hope that the information that the Board provided to Jeremy both from Chris about that if your intent is to be involved that involvement today is the study and it is really the first project the Agency has done. It is a comprehensive study. Our hope if the best information that is available will be made available both to the consultants so we can do the best comprehensive study that we can. He felt

Soren gave some good information about this being an opportunity to approach your board about participating in the project and making head way towards accomplishing some of the challenges that are before us and putting yourself in a position that we can entertain Strawberry being part of the Board. He disagreed with Jeremy on the fact that the inter-local agreement was setup specifically so that we could be inclusive of those who want to participate in projects and it was designed that way so that if there were Juab County that did not want to be a part of the Board but I am really interested in that project or any two entities that wanted to do a project. The inter-local was made very open in that regard and that was the original intent that there could be multiple parties participating in projects and that the opportunity to be on the Board was secondary to that. The project was the primary. He suggested that Jeremy take that back to his Board and let them act but to do it quickly so that if you are interested in being in the project we can move that forward.

Discussion was held regarding the cost spreadsheet and including that with the inter-local agreement.

Chairman Warren Peterson said that he was not hearing a motion from the Board and that he strongly agreed that we come to a better resolve if everyone is involved. If we are going to try to work as a regional/basin clearing house we need to have everyone engaged. He said that he would be disappointed to not have Strawberry here but asked of the Board members present that the membership committee delineate what the conditions are for Strawberry to become a member as there had been discussion but no action on the request.

Nathan Ivie stated that from a personal reflection, given the significant role that Strawberry Water plays in this end of the Valley. He would like to see them part of the Board and fully participating.

OTHER BUSINESS

Junior Baker reported to the Board on state reports that the Agency needs to submit. He said that he and Shelley would get together and submit the reports since we do not have a CEO. Second as we met as the Water Resource committee were not able to have Steve available because there were some conflicts in his schedule. He asked the Board to consider that our next project be a ground water management plan. He feels it will be valuable for a regional area. Our next meeting is our next tentative budget meeting. He talked to Mike Mendenhall who is heavily involved with the Utah League of Cities and Towns. He was at a conference where he ran into some folks that were involved with the National League of Cities and Towns and they were concerned about some drought conditions in the west and what they were doing to look to overcome them and Mike mentioned that this Agency had been put together to look at water on a regional basis and how we can plan ahead for drought conditions or how we can use water more wisely. If we can share resources. Mike has been asked to sit on a national panel to discuss that.

Chairman Warren Peterson asked in the inter-local agreement the officers are elected when? Junior Baker said it was annually in March.

NEXT MEETING:

- **May 15, 2017 & June 12, 2017**

Marty Larsen **moved** to adjourn. Meeting adjourned at 8:58 a.m.