

MT NEBO WATER AGENCY
BOARD MEETING

Held via remote conferencing through Zoom Video Communications
Monday, August 17, 2020

CONDUCTING

Gene Shawcroft, Chairman

BOARD MEMBERS

Gene Shawcroft, Central Utah Water Conservancy District
Marty Larson, Genola City
Warren Peterson, Goshen Valley Local District
Brett Christensen, Payson City (7:35 p.m.)
ABSENT - Howard Chuntz, Salem City
Nick Miller, Santaquin City
ABSENT - Brandon Gordon, Spanish Fork City
ABSENT - Boyd Warren, Strawberry Highline Canal Co
ABSENT - Nathan Ivie, Utah County

ALTERNATE BOARD MEMBERS

Chris Hansen, Central Utah Water Conservancy District
David Tuckett, Payson City (7:55 p.m.)
Richard Nielson, Utah County
Chris Thompson, Spanish Fork City
ABSENT - Paul Munns, Goshen Valley Local District
ABSENT - Seth Sorenson, Salem City
ABSENT - Lynn Mecham, Santaquin City

TECHNICAL COMMITTEE

Chris Hansen, Central Utah Water Conservancy District
ABSENT - Travis Jockumsen, Payson City
Norm Beagley, Santaquin City
Richard Nielson, Utah County
ABSENT - Melanie McVicker, Goshen Valley Local District
ABSENT - Bruce Ward, Salem City
Chris Thompson, Spanish Fork City

STAFF

Kim E. Holindrake, Payson City Recorder

OTHERS

Steven Clyde, Clyde Snow
Steve Jones, Hansen Allen & Luce
Sterling Brown, Strawberry Water Users
Wes Quinton, Goshen Valley Local District
Richard Tullis, Central Utah Water Conservancy District
Rachel Musil, Central Utah Water Conservancy District
Jared Hansen, Central Utah Water Conservancy District
Dave Pitcher, Central Utah Water Conservancy District

1. Call to Order

Chairman Gene Shawcroft called this meeting of the Mt Nebo Water Agency Board to order at 7:30 a.m. The meeting was properly noticed.

2. Public Comment Period

No public comments.

3. Approval of Minutes – June 15, 2020 Meeting

MOTION: Marty Larson – To approve the minutes as presented. Motion seconded by Richard Nielson. Those voting yes: Gene Shawcroft, Marty Larson, Warren Peterson, Nick Miller, Richard Nielson. The motion carried.

5. Technical Committee Report

a. Groundwater Management Plan; Status Update

Presentation:

Chris Hansen reported the Technical Committee is working through the groundwater data base. Hansen, Allen and Luce have been working with the cities and outlying groups to get information into the groundwater well database. The progress is going pretty slow, and there are some members of the Mount Nebo Water Agency that haven't provided information. These members have been contacted but an updated report hasn't been received. An interim report will be sent to the members is about a month or so.

6. Water Banking Committee Report

Presentation:

Marty Larson stated the Water Banking Committee met on July 20th to evaluate whether water banking would be beneficial to the Agency. The consensus was that water banking would be beneficial to both agricultural and the members of the agency. The Committee came up with five items to be considered by the Agency, but plan to meet again on August 24th for further discussion.

1. Require contracts to agriculture to be in minimum 10-year increments, these 10 years can be rotating as to when they are initiated and expire each year. This will allow fluid movement of water becoming available each year. This will also provide the expiration of contracts each year for large water rights that may need to be staggered in their availability. Purpose of this is to provide water for the lifetime of an annual crop or to cover cost on irrigation system setups for the life of the system.
2. Dependability of the process is critical. We would like to have minimum risk for the provider and the user so each can plan and operate their endeavor with confidence and reliability. Item 3 and 4 discuss this also.
3. Water rights to be considered need to have a minimum standard so contracts can have dependability and value.
4. State Engineer may have to approve change applications on some of the water rights.
5. Timeliness of submitting application to final approval is also critical. The provider and user also need to have water contract processed in a timely manner that provides both parties the ability to plan and operate their endeavor with confidence and reliability.

Assignments were made as follows:

- Sterling Brown - Research and bring feedback on the effects of the transition from agricultural to urban in Salt Lake County and further north.
- Warren Peterson - Research whether some modeling options of water right banking that others have used such as CUWCD.
- Marty Larson - Update Howard Chuntz and Steve Clyde on our meeting, and schedule so they can attend our next meeting.

The Committee recommended that water banking through the Agency could be beneficial to agriculture and the Agency and requested to move forward in preparing a more specific proposal to consider and discuss.

Discussion:

Richard Tullis stated that he is happy to participate and provide any information with regards to the state.

Warren Peterson stated Richard's involvement would be consistent with his assignment regarding contacting others involved in water right banking. He suggested having the Committee's report included in the minutes. (See attachment)

7. Update on the South Utah County/Juab County Plan Formulation Effort

Presentation:

Dave Pitcher stated the purpose of the water supply and infrastructure plan is to collaborate and develop a sustainable regional plan for southern Utah County and eastern Juab County to optimize the water resources that support economic growth and quality of life. The intent is to collaborate closely with cities with emphasis for a long-term plan for M and I water but realize many other entities are tied to this. Population projections are tied closely to this with Utah County to have the same population as Salt Lake County in 50 years. Population projections were used and extended to 2065 for both counties. Stakeholder engagement meetings have been held with individual government agencies, water agencies, the South Utah County Technical Team, Mapleton, Springville, and Strawberry Water Users. Water demands and supply analysis have been compared with current and projected water supplies. An additional \$80,000 was authorized on an update of the groundwater model for southern Utah County, Goshen, and Juab County, which took several months. Water supply and infrastructure gaps were addressed. The intent is to coordinate more on infrastructure and alternatives to narrow it down to an economic and financial analysis. Scenario Planning was used to determine what to concentrate on to make decisions. By 2065, these areas will be dependent on ground water, treated surface water, and raw water using a combination of secondary systems, treatment systems, and conservation. The next step is looking at combined alternatives such as treatment plants, rehabilitation of a raw water conveyance facility, and reliance on the ULS pipeline.

Discussion:

Chris Hansen stated the Technical Committee's work is to make the database more robust to better predict the safe yield of the aquifer, which is beneficial to both of these efforts.

Dave Pitcher stated the model has been updated to be more accurate and by using the same firm can populate the data. The Agency is doing a very important thing over the long term. The better data

the better the model will be. This provides more information on how to manage and alternatives. An alternative is looking at aquifer storage and recovery.

Gene Shawcroft stated he wanted everyone to be aware of the what, how and why of what Dave Pitcher was doing. Central Utah is trying to fill some gaps. As it moves forward, there is input from everyone to make it a comprehensive, complete regional study. When it's finished, there shouldn't be any surprises for anyone. He encouraged members to have their organizations contact Dave Pitcher with any questions or thoughts.

Dave Pitcher noted they are planning a meeting at their treatment plant in Orem to show how a broad system works including treated surface water. Their work goes a step further but will be compared to the Agency's groundwater management plan.

Warren Peterson asked that the technical memo be distributed to the board members. Also, the groundwater recharge showed an assumption that 50% of recharge is the safe yield. This seems to be a very conservative number. He is particularly interested in the Goshen Valley.

Dave Pitcher stated 50% is a guideline used quite often by the state engineer because of variability. The groundwater is used as a reservoir that dips in dry years and recharges in wet years. They decided to use 50% for planning purposes. The key is getting better data both airily and quantitatively to see what the groundwater reservoir is doing. Then it can really be managed.

Chris Hansen noted regarding the 50%, the Technical Committee discussed that most cities have more water rights than their safe yield. The concern is with the ground water right issue. If a city has more water right than safe yield in an area, that's a concern. The water right may not be touched in a wet year but may be used beyond safe yield in a dry year. It averages out over time so the 50% safe yield is used.

Chris Thompson stated the goal is to come up with a 10-year safe yield.

Norm Beagley stated the work of the Technical Committee and Hansen Allen and Luce will help determine a better number than the 50% with actual information used rather than an estimate.

Chris Hansen stated the effort is to get more robust numbers than the 2018 numbers. The more area covered, the better we can interpret how withdrawals really affect the groundwater in different places. The safe yield is different in each area, which is shown in the Mount Nebo study. This study will define what the aquifer really looks like and how it's affected by a withdrawal. The database is a tool that goes into the model and makes the model better.

4. Finance Report – Dave Tuckett (8:08 p.m.)

Dave Tuckett stated we are keeping up on the expenses coming through. Assessments were sent out for project #4 with two not having been received. The current bank account shows over \$31,000 in the administrative account and over \$32,000 in the project #4 account.

8. Update on Future Legislation (8:10 p.m.)

Presentation:

Steve Clyde reported the Water Task Force has not advanced the water discussion this year. The State Engineer has advanced a couple technical bills designed to allow the State Engineer to provide notice via verified electronic transmission in addition or as an alternative to mailing. Electronic communication is becoming more of the norm and is a cost savings. Emails are more current and provide a better way to communicate. This was given a vote of approval by the Water Task Force and will move to the Legislature. Another bill, two years in the making, tries to put side boards on state engineer criteria for approving applications. Section 73-3-8 addresses the proposed use of water, whether a new appropriation or change of use, is not detrimental to the public welfare; but public welfare is nowhere defined by public statute. This was identified in the Governor's Water Strategy Report of 2017 as one of the enhanced tools available to the State Engineer because the state is looking at a massively expanded population in a short period of time. Our water resources are fully appropriated. How do we make water policy decisions made going forward? How should water to be allocated? We need to look at the public needs. He will send Kim Senate Bill 126 from 2015, which was developed at the water commission level to put side boards around what public welfare might look like. This is the starting point the task force is working with and is a work in progress. We have to look at other policy issues going forward.

Discussion:

Warren Peterson stated a 2020 bill mandated that the State Engineer develop rules around the 40-year rule. In Section 73-1-4, Forfeiture Statute, a provision in 2008 states a city can hold water for the reasonable future needs of the public for 40 years without risk of forfeiture. It states a plan is need to go with it. The State Engineer is also working with the Water Task Force for rules for the 40-year plan. We are an organization made up of public water suppliers, and this is a critical rule making process.

Steve Clyde noted because you are public water suppliers, the rule making effort of the State Engineer will put more definition behind what has to go into that 40-year plan. Currently, it's just a piece of paper with projections. Now there will be an extensive rule-making process with a lot of opportunity for comment. It's a work in progress with quite a bit of dialogue over the next year.

Norm Beagley questioned if it's part of a master plan or update, is it more likely be sufficient. This would show the need rather than just a piece of paper.

Steve Clyde stated the more detailed planning and projections including supply and demand that can be done as a community, the better off you'll be.

Warren Peterson noted there is another provision for appropriations extension of proof beyond 50 years. This is another area where the State Engineer has been relying on these supply and demand studies. Any water rights in that position would apply in that respect also.

Steve Clyde noted those entities banking for the future need to cover those water rights with a change application converting them to municipal use. If not converted, it's not entitled to this 40-year plan protection. If not converted, the water right is exposed to potential forfeiture.

Warren Peterson noted a bill being discussed regarding canals in or near a proposed subdivision. The Utah League of Cities and Towns (ULCT) is heavily involved and looking out for cities.

Steve Clyde stated there isn't a lot of support for it yet. The concern is about encroachment on canals and is gaining some appreciation. The ULCT is engaged as well as the development and real estate community. A few years ago, the companies could file with counties a survey of the entire canal systems so people are on notice of where canals are located. This worked well in some areas and not in others.

Sterling Brown mentioned the public welfare report has a rich history on capitol hill. He questioned the recent discussion looking to simply clarify or define public welfare and/or the expansion of state engineer authority on when that tool can be deployed. It can become a slippery slope if not careful.

Steve Clyde stated it is attempting to define those elements public welfare and the things the State Engineer ought to take into account when analyzing an application from the public welfare standpoint. We cannot turn the State Engineer into an environmental statement review and bog down the 3,000 plus change applications that come through each year. Ninety-nine percent of those applications don't have public welfare implications. The dialogue is on quantity of water involved, diversion, or environmental impact. It's a long way from any correlation. SB 126 will be modified considerably down the road.

9. Other Business
 - a. Information/Discussion Items for Future Meetings
 - b. Other

No other business discussed.

10. Next Meeting – November 16, 2020

Gene Shawcroft stated the plan is to meet in Salem as well as via Zoom.

11. Adjourn

This meeting was adjourned by Gene Shawcroft, Chairman, at 8:28 p.m.

Committee,

Our committee met today (7/20/2020 9am) and discussed out assignment from Mt. Nebo Water Agency Board to "Evaluate whether a water banking arrangement would be beneficial to the Agency". We came to the consensus that water banking could be beneficial to both agriculture and members of the agency. Some of the items we felt would need to be considered if the Agency moved forward and have a win-win for all, are the following:

1. Require contracts to agriculture to be in minimum 10-year increments, these 10 years can be rotating as to when they are initiated and expire each year. This will allow fluid movement of water becoming available each year. This will also provide the expiration of contracts each year for large water rights that may need to be staggered in their availability. Purpose of this is to provide water for the lifetime of an annual crop or to cover cost on irrigation system setups for the life of the system.
2. Dependability of the process is critical. We would like to have minimum risk for the provider and the user so each can plan and operate their endeavor with confidence and reliability. Item 3 and 4 discuss this also.
3. Water rights to be considered need to have a minimum standard so contracts can have dependability and value.
4. State Engineer may have to approve change applications on some of the water rights.
5. Timeliness of submitting application to final approval is also critical. The provider and user also need to have water contract processed in a timely manner that provides both parties the ability to plan and operate their endeavor with confidence and reliability.

Present to the committee meeting was Marty Larson, Sterling Brown, and Warren Peterson. It was discussed that Howard Chuntz and Steve Clyde could add additional input and we desired to hear from them. We will propose meeting again on August 24th at 9am thru Zoom. Sterling Brown will research and bring feedback on the effects of the transition from agricultural to urban in Salt Lake County and further north. Warren Peterson will research whether some modeling options of water right banking that others have used such as CUWCD. Marty Larson will update Howard Chuntz and Steve Clyde on our meeting, and schedule so they can attend our next meeting.

The committee currently recommends to the Mt. Nebo Board that water banking thru Mt. Nebo could be beneficial to agriculture and the Agency and would request that the Board allow the committee to go forward in preparing a more specific proposal for the Board to consider and discuss.