

**Mt. Nebo Water Agency
August 15, 2016**

Board Members: Vice Chairman Gene Shawcroft, Marty Larsen, Soren Christensen, Larry Ellertson, Mike Mendenhall, Tyler Coon (alternate).

Board Alternates:

Technical Committee: Bruce Ward, Chris Hansen, Travis Jockumsen, Richard Nielsen, Chris Thompson, Norm Beagley.

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

Public present: Don Cole, Jared Hansen, Rich Tullis, David Hathaway, Darrick Whipple, Calvin Crandall, Kent Kofford, Richard Noble, Steve Jones, Keith Broadhead, Brent Ventura, Ed Vidmar.

Vice Chairman Gene Shawcroft called the meeting to order at 7:34 a.m.

Public Comment Period

Vice Chairman Gene Shawcroft invited public comment.

Don Cole explained the status of a flowing well on his property and the change in the flow over the years especially in the last few weeks. He met with the Bureau of Reclamation regarding ground water conditions.

*Larry ellertson arrived at 7:36 a.m.

*Tyler Coon arrived at 7:37 a.m.

Don continued to explain the water levels in the Salem Pond and said that the pond is in a very serious condition right now. He feels that the State Engineer has over extended water transfers and asked the Agency for help.

Shelley Hendrickson performed the swearing in of new board members. Marty Larsen and Gene Shawcroft and the new alternates Chris Hansen, Darrick Whipple.

Board Action on Adoption of Minutes

June 20, 2016

Soren Christensen **moved to approve** the minutes of June 20, 2016; with the noted changes. Mike Mendenhall **seconded** and the motion **passed** with all in favor.

Technical Committee Report – Chris Hansen

- a. Regional Water Study Report on Progress into Phase II
- b. Update on BOR Grant Application

Action on Technical Committee Report on Regional Water Study

- a. Phase I Study Approval
- b. Action on Phase II of Regional Water Study

Chris Hansen said the Agency received six proposals, from very qualified firms, for the RFP on Phase II. The technical committee took a week to review the proposals individually and then met together as a group. They held three oral presentations. The committee recommended that the Board award the contract to Hansen, Allen & Luce. They were not the low bid but the selection was not based on price and they are within the budgeted amount. Soren Christensen said that he attended the selection process presentations and complimented the technical committee for their professionalism.

Tyler Coon **moved to accept** the technical committee's recommendation to award the Phase II Regional Water Study to Hansen, Allen & Luce. Discussion was held regarding timing and the Agency's next board meeting. Tyler amended his motion to include the authorization of the Chairman of the Board to execute the agreement and be reviewed by members of the board. Discussion was held regarding the agency members reviewing the agreement. Gene Shawcroft summarized that the motion was to award the contract, move forward with the preparation of an agreement, agreement to be reviewed by a group of this board prior to and potentially an executive committee and signed by the Chair. Soren Christensen **seconded** and the motion **passed** with all in favor.

Create Executive Committee

Junior Baker placed this item on the agenda because in the Agency's last board meeting there was some discussion about creating an executive committee. One of the things that was discussed was reviewing the type of contract we just approved because of the length of time between our board meetings sometimes we need to move more quickly. Different tasks could be assigned as they come up. One thing that he feels would be beneficial is that the technical committee meets more often than the Board and that might be a good committee to act as a liaison between the technical committee and the full Board.

Soren Christensen asked if the Agency would run afoul of the public meetings act depending on how many are on the board. Junior Baker said that the committee would need to be less than four or it would become a board meeting and expressed that he felt it would be helpful to appoint a member of the technical

committee to sit on the executive committee. Discussion was held regarding who to appoint to the executive committee.

Larry Ellertson **moved to create** an executive committee of the Board that would consist of the existing Agency Board Chairman, Vice Chairman, Secretary and Treasurer. That Committee could solicit input from the technical committee chair but the technical committee chair would not be a member of the executive committee. Mike Mendenhall **seconded** and the motion **passed** with all in favor.

Status of Adding New Members – Marty Larson

Marty Larson reported that a committee was set up to evaluate adding new members. He said that they met and came up with the following recommendation: A committee established by the Mt. Nebo Water Agency Board of Directors met to consider requests for additional members in the Agency and seats on the Board. By way of background, Mt. Nebo is a public agency, however it includes participation of public and private entities. At the time of creation discussions were held regarding future members because it is the desire of the Agency to be inclusive; however it was difficult to at the time of creation to anticipate timing and future interest of additional members; therefore, the inter-local agreement lacks specific criteria under which additional members should be added other than it does say future members approved by an unanimous vote of the then existing members". It is clear that as projects develop, entities, private and public, that are not members of the agency can participate in projects. This is obvious since the effort made to include entities in the Phase II study has been extensive. Recently the Agency has received requests from Strawberry Water Users Association, a private entity, and Santaquin and Genola Cities, both of which are public entities, to join the agency. The recommendation from this committee to the Board is that Strawberry Water Users Associations request be delayed due to the uncertainties surrounding information requested by several of the Agency members. It is recommended that Santaquin and Genola Cities be accepted as members of the Mt. Nebo Water Agency and each given a board seat. It is also further recommended that the inter-local agreement be amended as necessary to say "to include Santaquin and Genola". It is the committee's understanding that each of the members, existing and new, will need to approve the modified inter-local agreement. It is suggested that the inter-local agreement be modified to remove the language limiting board members terms simplify the administration as board membership changes by the change of council members and mayors amongst cities.

Tyler Coon asked for further explanation on the decision to delay Strawberry Water User's based on concerns expressed by some of the agency members. Marty Larsen said that there are three cities on this board and the Highline that asked the Bureau of Reclamation to audit contracts and that is ongoing right now, so they just want to delay it until the audit is resolved.

Gene Shawcroft said that the bylaws state that it takes a unanimous consent of all members of the Board to allow new members to participate. With the uncertainties that were associated with the audit the committee felt that there would not be a unanimous consent to allow Strawberry to participate on the Board at this

point and rather than have a vote that was negative it was concluded that it would probably be better to wait for some of those things to be resolved before the vote is taken.

Tyler Coon said that there were two other cities he knew of that expressed interest in participating or have written to participate in Phase II of the regional water study. He expressed that he was not sure whether they expressed interest to participate in the Agency as a board member or simply as Phase II participants. He asked if the committee had any thoughts on adding additional members or is the Agency still concerned about size of the board.

Marty Larsen said that he felt that those are concerns but that the committee was unanimous in adding Santaquin and Genola at this time. They had submitted letters wanting on the board not just to participate in the study.

Soren Christensen clarified that the committee had not accepted or rejected the other two cities and Marty concurred.

Marty Larsen said that the committee talked about adding new members on an annual basis so we are not discussing this every meeting but annually considering it.

Larry Ellertson said that there is a process of adding new members and it is not something that you want to do every month and so was adding new members on an annual basis part of the committee's recommendation? Marty Larsen said it was. Larry Ellertson expressed that he felt before the Agency goes through the process to add Santaquin and Genola, he is not trying to delay it, but if the Board is thinking that there are two others out there that are interested in coming on right away it might not hurt to make an inquiry.

Gene Shawcroft said from his perspective the technical committee has done a great work in trying to include people in the project. His understanding is as that has occurred those cities have been invited to participate and we have two that have shown interest in participating in the Agency. He said that he was not aware of any others.

Tyler Coon said that he would have to review the letters from the other two cities to see if they were asking for membership in the Agency or just to participate in the study.

No one could recall if the letter was a "letter of intent" to be included in the project and not participate on the Board.

Gene Shawcroft expressed that one concern he had was in delaying adding Santaquin because they have been adamant about participating and that was the intent that we would have as cities wanted to participate and feels that the Board should move forward with adding Santaquin and Genola. If the board wanted to

take additional solicitations he agreed with Marty Larsen that it would need to be on an annual basis not considering new board members every meeting.

Larry Ellertson said that he was not suggesting that the Board delay Santaquin and Genola just that if the other two are going to walk in tomorrow and say that they want to be on also that there would be some period of time before we go through this process again.

Soren Christensen said that one of the issues is whether the Board getting too large and what size it will be. We could maybe resolve that by having an alternating board member every four years rather than just have the core members stay on the Board all of the time.

Gene Shawcroft said that the committee did discuss that but concluded that with just the two making the request we would create two new board seats but told Soren that it was a great recommendation.

Discussion was held regarding the process to update the inter-local agreement, moving forward with adding Santaquin and Genola but before we wait a year we identify if the other two cities that have shown potential interest be allowed membership now while the agreement is being modified and streamline other entities as well.

Marty Larsen **moved** to **accept** Santaquin and Genola as members of the Agency. Change the inter-local agreement and amend it necessary to include Santaquin and Genola with the understanding that they need approval from their governing bodies. Work on amending the inter-local agreement to remove the language requiring board members term limits in order to simplify administration and that the committee that worked on this issue to continue to work on adding new members and make that process a bit more streamlined. Soren Christensen **seconded** and the motion **passed** with all in favor. Further discussion was held regarding the term limits for board members.

Discussion on Reserve Fund/Refund – Junior Baker

Junior reviewed the budget, and member assessment payments and said that there are some excess funds and told the Board that they needed to discuss what to do with the excess funds. He proposed that the Agency could refund the money to the entities or put the money into a reserve account.

Discussion was held regarding the excess funds and whether or not to refund the entities, place the money in a fund to credit entity members or put the money in a reserve account.

Marty Larsen **moved** to bump the reserve account balance from \$2,000 to \$5000 and hold the rest of the excess funds in a reserve account to the credit of the existing members. Mike Mendenhall **seconded** and the motion **passed** with all in favor.

Gene Shawcroft asked Chris Hansen to introduce the representatives from Hansen, Allen & Luce. Chris Hansen asked them to come to the front of the room and introduced Richard Noble as the project manager and Steve Jones as one of the project engineers. Richard Noble said that they were grateful for the opportunity and confidence and said that they want to do the best job possible on this which will require a lot of interaction with the technical committee and welcome any input from the Board.

Meeting Schedule

- **Next Meeting: November 21, 2016**

Other Business

Gene Shawcroft turned the time over to Soren Christensen regarding a letter that was put together to address the issue that the Board talked about in their last meeting with regard to water rights, exchanges and transfers. Soren Christensen said that a letter has been drafted and is circulating among some of the members and legal counsel to look at addressing the issue that Mr. Cole brought up on water transfers. Dry paper water being transferred into wet wells We are trying to formulate a position and want the Board to agree unanimously on the position before the letter is sent to the State Engineer. A letter or a recommendation will be ready by our next Board meeting.

Discussion was held regarding the review of the document.

Larry Ellertson **moved** to adjourn. Soren Christensen **seconded** and the motion **passed** with all in favor at 8:30 a.m.