

MT NEBO WATER AGENCY
BOARD MEETING
Salem City Offices, 30 West 100 South, Salem UT 84653
also via remote conferencing through Zoom Video Communications
Monday, May 3, 2021

CONDUCTING

Gene Shawcroft, Chairman

BOARD MEMBERS

Gene Shawcroft, Central Utah Water Conservancy District
Marty Larson, Genola City
Warren Peterson, Goshen Valley Local District
ABSENT - Brett Christensen, Payson City
Howard Chuntz, Salem City
David Hathaway, Santaquin City
Brandon Gordon, Spanish Fork City
Boyd Warren, Strawberry Highline Canal Co

ALTERNATE BOARD MEMBERS

Chris Hansen, Central Utah Water Conservancy District
David Tuckett, Payson City
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
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
John Waters, Spanish Fork City
Sterling Brown, Strawberry Water Users
Wes Quinton, Goshen Valley Local District
Dave Pitcher, Central Utah Water Conservancy District
Richard Tullis, Central Utah Water Conservancy District
Jared Hansen, 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 7:32 a.m. The meeting was properly noticed.

2. Swear in New Board Members
 - a. David Hathaway – Santaquin City

Kim Holindrake administered the oath of office to David Hathaway with Santaquin City as a board member of the Mt. Nebo Water Agency Board.

3. Public Comment Period

No public comments.

4. Approval of Minutes – February 16, 2021 Meeting

MOTION: Howard Chuntz – To approve the minutes of said date. Motion seconded by Brandon Gordon. Those voting yes: Gene Shawcroft, Marty Larson, Dave Tuckett, Howard Chuntz, David Hathaway, Brandon Gordon, Boyd Warren, Richard Nielson. The motion carried.

5. Technical Committee Report
 - a. Groundwater Management Plan; Status Update

Chris Hansen reported the groundwater management database is moving along. He has an additional invoice from Hansen, Allen & Luce that he will send for payment.

Steve Jones stated this project was anticipated to go for one year, but it's been more than a year. They weren't able to get in many visits because of COVID. The budget is about half spent; they are making progress. There is enough data to put together some graphs and a summary of where each entity is at, which can be printed and updated. Goshen Valley is planning to purchase and install equipment so it can collect data to submit. Most entities are moving forward.

Chris Hansen noted not even half of the budget has been spent. A lot of the work is being done remotely. They will keep moving forward and collecting data. It will be interesting to see some of the groundwater levels from the state because of the drought situation.

6. Update on Water Banking Committee Progress

Marty Larson stated the Water Banking Committee met several times in March and April. They have been working with the state on establishing a water bank for the Agency. The Committee discussed the criteria for a water bank, the best fit for the Agency, and participants. The Committee felt it would be beneficial for the Agency to have a water bank, which could be accomplished through a grant from the Bureau of Reclamation. Westwater Research LLC was used to help submit the grant, which was due April 7. Goshen Valley Local District guaranteed payment for the grant writer because of the urgency, but those wanting to participate will share that cost. Sterling Brown participated and gave a lot of feedback; he was a great asset as part of the Committee.

7. Update on Water Banking Requirements

Marty Larson reported the state template was used to fulfill the goals. A specific water right was used to see how it would apply to the Agency. The grant covers outreach, kickoff meeting, stakeholder

outreach, state-wide outreach, water-banking scope, water rights and hydrology analysis, regulatory analysis, environment review and compliance, strategy and development, review prior water banks, water banking strategy, application, response and violation, and grant administration. As an Agency project, those who want to participate can opt in.

Chris Hansen stated the project cost is \$88,460 with about \$44,000 coming from the WaterSMART Grant and about \$44,000 from the Agency including \$16,000 in in-kind contributions. Funding will come in the next fiscal year (2022).

Norm Beagley stated budgets are being worked on so they need a budget breakdown so they can plan accordingly.

Marty Larson stated the discussion today is about applying for the grant, which won't be awarded until late summer.

Chris Hansen clarified that it's about \$28,000 to be distributed between those who choose to participate.

Dave Tuckett noted the upcoming tentative budget discussion does not include this project. It can be added when the final budget is adopted in June or by a budget amendment.

Chris Hansen stated he will coordinate through the Technical Committee all the entity participants and level of participation, which is done on every project. The budget can have a place holder of \$30,000, and this will be project #5.

Warren Peterson clarified in the resolution the budget year should be 2022. The Bureau of Reclamation requires funding to be in the upcoming budget, which is what the resolution certifies. The Agency's obligation is a match of \$16,540 of in-kind services provided by the participants and their staff and \$27,920 from participants. The timing is the funding must be in the budget when the grant contract is offered. The grant writers anticipate that will occur in October or November.

8. Resolution - Obligation of Mount Nebo Water Agency associated with WaterSMART Grant

MOTION: Marty Larson – To adopt the resolution (WaterSMART Grant) adding in that this is for the budget year 2022. Motion seconded by Brandon Gordon. Those voting yes: Gene Shawcroft, Marty Larson, Warren Peterson, Dave Tuckett, Howard Chuntz, David Hathaway, Brandon Gordon, Boyd Warren, Richard Nielson. The motion carried.

9. Legislative Updates/Changes
a. 2021 Legislative Session

Steve Clyde stated the Utah Lake Authority bill is still kicking around. The decision was made to convene water stakeholders and work through the draft legislation (HB 364) to come up with proposals for a bill that will work. Warren Peterson was appointed to chair this organization. A variety of sub-committees were created to deal with management and governance, water rights, water quality, recreation, wild life and aquatic habitat, and remediation of current lake conditions, responsible growth management, stakeholder engagement, lake bed ownership, and funding. Chairs have been selected to each of those committees, and Utah County is well represented. Obviously, this

is an important issue on how we deal with the Utah Lake, which is the operation hub of the Central Utah Project. The potential development of the lake has potential impacts to storage capacity, which could be detrimental to water right holders. It also brings public trust issues to the table if some of the submerged lands are sold by the State for development purposes, and whether such development is in furtherance of the public trust and the best utilization of the state assets. The hope is through these various committees, substantive issues can be discussed and a draft bill presented next year. It is a problematic bill in some respects, but also has some noble provisions to fix the water quality in Utah Lake. There are a lot of competing goals and issues. The Water Rights Committee meets tomorrow at 11 a.m. and the Lake Bed Ownership Committee that I chair meets Wednesday at 2 p.m.

Gene Shawcroft questioned how realistic are the expectation of what the lake can ultimately end up being.

Steve Clyde stated it's unknown at this point.

Warren Peterson stated the committees are being asked to begin with a clean sheet of paper with no preconceived notions. Get the facts, act on the facts, and bring forward what can be done.

Steve Clyde stated one of the concerns with Utah Lake is that a portion of the inflows are ground water rather than surface water, and at least some of the ground water entering the lake is not good quality. This has always been an issue. The surface water is of course of good quality, but it is unknown whether the poorer quality ground water can be treated or otherwise addressed to help improve the overall water quality of the lake. The lake is broad and shallow and because of that wave action from wind and recreational boating stir the silt up and that also creates short terms quality issues. Cleaning up the water quality in the lake may be an unrealistic expectation, but more study is necessary to make that determination and also to assess what steps might be taken to help improve water quality overall.

Warren Peterson noted the Responsible Growth Committee is critical to the cities because it talks about zoning authority of cities around the lake, which is headed by Eric Ellis and participation is fairly light. Envision Utah is not currently involved at this point, but he has contacted them.

10. Finance Report

Dave Tuckett reviewed the finance memo noting since the last meeting one invoice was paid and revenues included interest. Account balances include reserve account (\$5,000), administrative account (\$31,304.17), and Capital Projects - Project 4 account (\$31,630.24).

11. Tentative Budget – FY 2022

Dave Tuckett presented the Fiscal Year 2022 tentative budget. The tentative budget includes administrative expenses at \$2,700.00 and revenues at \$2,920.00, which is a carryover of \$300 for each member and no assessment for this year. Project #4, Groundwater Management Database, includes remaining expenses of \$29,342.94 and a current fund balance of \$31,630.24. Goshen Valley Local District requested their \$2,287.30 credit be applied to the WaterSMART grant application. The total grant application cost was \$5,000 so that will need to be balanced among the entities. Project #5, Water Marketing Strategy, has been added with a project total of \$88,000. The WaterSMART grant will come in at \$44,000, member participation at approximately \$28,000, and in-kind participation at

\$16,540. The tentative budget needs to be approved at this meeting and then a public hearing will be noticed to adopt the final budget at the June 21st meeting.

MOTION: Warren Peterson – To adopt both budgets as tentative budgets for public hearing on June 21. Motion seconded by Richard Nielsen. Those voting yes: Gene Shawcroft, Marty Larson, Warren Peterson, Dave Tuckett, Howard Chuntz, David Hathaway, Brandon Gordon, Boyd Warren, Richard Nielson. The motion carried.

12. Other Business

a. Information/Discussion Items for Future Meetings

- Update on the Watershed Council Act by the Langdon Group.
- Update on the South Utah County/Juab County Plan Formulation Effort by Dave Pitcher.
- Technical Committee report.
- Update on Groundwater Database (summary and visuals) by Steve Jones.
- Update on Utah Lake Progress.

b. Other

13. Next Meeting – June 21, 2021

This will be an in-person meeting.

14. Adjourn

The meeting adjourned at 8:25 a.m.