

MT NEBO WATER AGENCY
BOARD MEETING
Salem City Offices, 30 West 100 South, Salem UT 84653
Monday, June 21, 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
ABSENT - Howard Chuntz, Salem City
David Hathaway, Santaquin City
ABSENT - 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
ABSENT - 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
Bruce Ward, Salem City
ABSENT - 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
Dave Pitcher, Central Utah Water Conservancy District
Richard Tullis, Central Utah Water Conservancy District
Rachel Musil, Central Utah Water Conservancy District
Dan Adams, Langdon Group
Braden Sheppard, Farmland Reserve Inc.

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. Public Comment Period

Bruce Ward stated we are all aware of the water situation, and we are all trying to forecast what will happen in 60 to 90 days from now. The reports are all bleak. He asked the District to look into allowing a temporary use of some of the contracted water in the future when the project is done. He thanked the District for working through that; it sounds like the process is done.

Rich Tullis stated it is available to any of the SUMWA entities. The water can be put in at the Spanish Fork River and then it's up to the entities to get it where needed. The quantity of water available is flexible.

Bruce Ward questioned if the Technical Committee could sit down with these entities and others in the next week or two to discuss things that can be done to get through this year. If we miss another winter, we are all familiar as to what will happen. There are many agriculture people who make their livings off their farms. We need to figure out some options and bring them back to the Board. We need contingency plans for August and September as well as 2022.

Gene Shawcroft directed Chris Hansen to set up this meeting with Bruce Ward assisting.

3. Approval of Minutes – May 3, 2021 Meeting

Warren Peterson noted a change from West Water Engineering to Westwater Research LLC (line 88).

MOTION: Marty Larson– To approve the minutes of May 3, 2021. Motion seconded by Warren Peterson. Those voting yes: Gene Shawcroft, Marty Larson, Warren Peterson, Dave Tuckett, David Hathaway, Boyd Warren, Richard Nielson. The motion carried.

11. Finance Report (7:40 p.m.)

Dave Tuckett reviewed the finance memo noting since the last meeting three invoices were paid and revenues included interest. Account balances include reserve account - \$5,000, administrative account - \$31,282.38, and Capital Projects, Project 4 account - \$26,091.28 for a total of \$62,373.66.

4. Technical Committee Report and/or Action a. Groundwater Management Plan; Status Update

Chris Hansen reported the Technical Committee is still working through the groundwater database. Hansen, Allen & Luce prepared a draft/concept report on how the project will be wrapped up, which will be reviewed by Technical Committee. He would like to wrap up this water year with the drought situation into that data set before it is presented to the Board, but he will send this draft/concept report out to the Board. The project budget total is \$42,300 and \$23,804 is remaining. Good progress is being made and data continues to be entered. Anyone is welcome to attend the Technical Committee meetings. Again, he would really like to include the current water year in the data set because of the unprecedented water conditions because groundwater is slower to react.

Steve Jones reported they have over a year's worth of data from most of the cities. Some cities are making an effort but don't have data to report.

b. Other

No other items.

5. Water Right Change Application Protests Report

Rachel Musil stated in total Mt. Nebo Water Agency protested five change applications, which have been beneficial.

- The first protested was down in the Payson area for Geneva Rock Products. The protest identified quantity impairment because Geneva Rock owned the water right over seven years and this was the first change of beneficial use. Geneva Rock stated they had been using the water right on another property, but when asked, they couldn't provide a lease agreement to substantiate the claim. The change application was approved but cut back from 16.624 acre feet to 9.6 acre feet, which is what they could show for beneficial use.
- The second protest was with DP Vincent Land Trust from the Provo area to underground wells in Payson. There were supplemental water issues regarding 22 shares of Little Dry Creek Irrigation Company. They were now claiming all the irrigated lands under this certificate were now being irrigated by their private water rights. The protest included the timeline and history of the water right noting approval would be an expansion of those water rights if the 22 shares were not included. A hearing was held, but no decision has been issued by the State Engineer.
- The third protest was with Steed Holdings that was moving water from the Birdseye area to the mouth of Diamond Fork Canyon, which would impair and cause issues with Spanish Fork City's water rights, wells, and springs. The protest noted the two changes were major controls put in the OSC stating if there was any kind of impairment they would be cut off first. A hearing was scheduled, but the applicant withdrew a week before the hearing.
- The last two protests were very similar. One moved water from the Salt Lake Canal Company out of Utah Lake to Mapleton underground wells. The protest objected heavily stating there wasn't any appropriated ground water. This change application was approved because the current groundwater policy for south Utah County allowed approval. Because of this, the protest regarding water from the Salt Lake Canal Company out of Utah Lake to Elk Ridge underground wells stated cities are concerned and worried about building homes off these late priority changes and advised the State to revise the current groundwater policy for south Utah County.

Warren Peterson stated he wants to make sure we become better engaged in the review process as these protests are identified and filed. He questioned if the review of protests is a Technical Committee function.

Rachel Musil stated yes. When she receives change applications that she feels should be protested by the Agency, they are emailed to the Technical Committee for confirmation. There are timelines to meet so responses to her are needed quickly, and she looks for a general consensus. Entities feeling different than the general consensus would need to file their own protest.

Warren Peterson asked that Melanie McVicker and Braden Sheppard be included in the emails.

Marty Larson asked that Chris Steele be added to the emails for Genola City.

Norm Beagley questioned if there isn't a 100% consensus to file a protest, then it's up to an entity to do their own.

Gene Shawcroft stated yes. Some protests have a different time frame for responding so respond to Rachel within a few days.

Rachel Musil stated she tries to give at least a week to consider and send her a response. No response is considered a yes.

Gene Shawcroft stated entities should not rely on Rachel to be aware of all the change applications. If you see something that has interest to your entity or the Agency, please contact Rachel.

6. Water Shed Council Act Report (8:00 a.m.)

Dan Adams stated the work he's doing comes from 2020 legislative session that created the Utah Watershed Council Act. He has a five-year contract to help the state of Utah to implement the Act. The purpose of the Act is to create a state-wide watershed council that has representation from tribes, industry, and geographic areas, and create local watershed councils. Under the Act, the state is divided into 11 watershed councils with a twelfth, hybrid council made up of five of those 11 watershed councils specific to Great Salt Lake. He met and interviewed those who created the Act, and then met with individuals and groups throughout the state to understand who is doing what and where so that efforts aren't duplicated. The intent of the Act is to bring together entities in an effort for collaborate, communicate, and coordinate better. It's important to know the Act is not to create a new policy or governing body. He met with over 170 people and organizations and received positive feedback. Questions and concerns were about scalability and funding. He visited with WRI, who is focused on restoration. There are initiatives through other agencies that cover a broader spectrum of places in need of funding to complete projects.

Warren Peterson stated funding is not through the watershed councils. The watershed councils provide information on funding opportunities where the entities can then seek funding independently. The watershed councils also give opportunities to talk to other entities, educate themselves, collect letters of support for grants, etc.

Dan Adams stated he served on the Upper Deschutes Watershed Council created in 1996 in Oregon and discussed with those colleagues the lessons learned there. Oregon has about 50 watershed councils that have been going since the mid-1990s. They also interviewed folks in Colorado (basin round tables) to learn what is working and not working there. We are on the right track as far as the benefit of having regional watershed councils. Neither of these states have a state watershed council and wished they had one. The goals for this first year are to get the state-wide watershed council and two of the regional watershed councils up and running. The next step for the state-wide watershed council is to bring together all the entities proposing to be on that council as well as others that have met. It has been helpful for Oregon and Colorado have clear, defined areas of focus in order to have a true purpose for these watershed councils. The next step is to concentrate on specific areas of focus and ensure representation from all areas.

Dan Adams continued that all twelve watershed councils need to have a diverse representation because each area has different water interests. The two watershed councils to focus on is not yet

clear. The Utah Division of Water Quality has been convening a number of groups and calling them watershed councils so there are existing groups that have been meeting for a long time and have been successful. The Provo River Watershed Council has been meeting for 30 years. Some of these entities want to stay as an organization. They will not be asked to stop doing their work but could participate in one of the twelve watershed councils under the Act.

Sterling Brown stated the legislation tethers these watershed councils to the Division of Water Resources. He questioned if there would be a link or information on the Division of Water Resources website notifying the public of the boundaries, meeting dates, minutes, recommendations, etc.

Dan Adams stated he has recommended that this be open and transparent to learn and see what other watershed councils are doing. There are certain groups in the state that are apathetic about water issues. It is the perfect opportunity to get the word out especially because of the drought. The Division of Water Resources has planning specialists assigned to geographic areas throughout the state, but many don't know each other. This will provide a path and build relationships at a staff level.

Norm Beagley stated he's heard restoration, funding opportunities, getting people together to collaborate. He questioned the end game; is it conservation, building reservoirs, etc.

Dan Adams clarified the upcoming interim meeting with those appointing people to the watershed councils will also determine the purpose, needs, and issues of focus. Oregon and Colorado are very clear about what they are and equally clear about what they are not. They don't talk about water rights. The Upper Deschutes Watershed Council in Oregon is very clear they are about restoration, monitoring, and education. The areas of focus, which may change over time, need to be determined in Utah. The Department of Natural Resources added three divisions this year with direct ties to water.

Warren Peterson stated currently, there is no forum to take water issue to and have a broad representation of stakeholders. This is also an opportunity to get agencies and water users to talk to each other. Conflict resolution is another purpose of the watershed councils, as well. The watershed councils are organized to bring issues to the state level so the governor's office and legislatures are better advised on water.

7. Update on the South Utah County/Juab County Plan Formulation Effort (8:20 p.m.)

Dave Pitcher reported this effort has been underway for two years and formed two technical teams. The technical team for this Agency expanded to include Mapleton and Springville. The other team is in Juab County. Efforts were spent trying to determine base resources and supplies and estimating demands for the next 50 years to 2065. They have looked at the gaps in demands and supplies, and the next step is to look at the financial analysis of the alternatives and cost estimates. They recognize that on a longer-term basis, conservation will be the focus combined with development alternatives to meet needs. Sustainable development of groundwater will be needed and not mining that ground water. Coordination of water-marketing polices will be needed during a transition from agriculture water to other uses. Regional treatment of surface water for culinary water will be needed beyond local sources. Further analysis includes looking at the benefits of aquifer storage and recovery. He reviewed a schematic of the regional water system as it exists today showing a water supply coming from Strawberry Reservoir and ending at two regional facilities, which assumes water will be

rehabilitated at some point but costs are not included in the plan. Continuing north shows a Mapleton Springville lateral distributing water to those communities. There will be a times in which culinary water is needed. A treatment plant could be added in Salem with alternative pumping from the Strawberry Highline Canal to a treatment plant. The finished water is distributed on a regional basis to different turnouts in south Utah County and Juab County. Waters coming from Spanish Fork and Utah Lake could be recaptured and diverted to facilities to spread over areas to recharge and shore up groundwater. If this would have been done two or three years ago, it could have shored up and helped the groundwater situation. Wells could be added or existing wells could be used to recover the recharged water. The next step looks at cost estimates, financial feasibility, and cost over time. Phase 3 through December 2022 includes formulating phase 3 stakeholder coordination, merits/benefits of ASR, and refinement of infrastructure alternatives; refining and confirming phasing and sizing of infrastructure; identifying further specific water supply alternatives; continuing economic and financial analyses; continuing stakeholder outreach; preparing a phase 3 summary report; and value planning review from independent reviews.

In answering questions, Dave Pitcher clarified that the assumption is the water would be enclosed or piped so it could be used in the winter time, which is a way to recapture rather than pumping back in the ULS system. The estimate is the withdrawal would be about 50% of recharge. If it comes in less or more, then you adapt. This Agency is going down the correct road.

8. Update on Groundwater Database

(covered previously)

9. Update on Utah Lake Progress (8:35 a.m.)

Steve Clyde reported the large committee has met twice and the subcommittees have met at least once. Progress is moving along and issues are being identified. Representative Brammer wants to push some proposed legislation forward for meetings this fall, which may not be feasible. Water legislation such as the water banking took about three years to get formulated and sold to the public. Taking something this complex is very problematic, but a lot of good progress has been made.

Warren Peterson stated it takes two to three years to make good water legislation and we are being asked to do it in one year. We can work hard to get something that is acceptable and make sure it's vetted or we will be asking to slow it down in the 2022 session. Participation by cities is essential especially from those involved with this Agency.

Gene Shawcroft noted it appears there are two efforts on Utah Lake, Representative Brammer pushing this legislation and a group pushing for development on Utah Lake. The two are not connected. They can be easily confused because some of the same people are involved in both efforts.

Warren Peterson stated the Utah Lake Restoration Initiative has been working for two years and has been working with the Forestry, Fire, and State Lands and the Department of Natural Resources. Their effort is to remediate conditions across the entire lake; one being the removal of invasive species (plants or animals). A second effort is to resolve the water quality issues. This group has been developing funding. Their effort is to put islands in the lake to pay for development up front and to improve water quality. This group is trying to engage with the water community to be transparent and

help design what it should look like. They have developed scientific designs to manage the lake and restore it to earlier stages and levels of quality.

10. Update on Water Banking

Marty Larson stated the Agency applied for the WaterSMART Grant to set up water banking but won't hear back on acceptance until July. If awarded, this Agency can move forward.

11. Public Hearing/Resolution – Amendments to the FY 2020-2021 Budget (8:45 a.m.)

Dave Tuckett reviewed the proposed amendments to the Fiscal Year 2020-2021 budget. The project budget shows the carryover from Project 2 to Project 4. The contract amount for Project 4 is \$42,300.00. Hansen, Allen & Luce has been paid a total of \$18,496.02 leaving a balance of \$23,803.98 or \$26,091.28 with the credit for Goshen Valley Local District. Goshen Valley Local District requested their credit of \$2,287.30 be moved to Project #5, Water Marketing Strategy Project, if the Agency receives the grant. The proposed total for Project #5 is \$88,000.00 with \$44,000.00 coming from the WaterSMART Grant, \$28,000.00 from member participant assessments, and \$16,540.00 from in-kind participation.

MOTION: Marty Larson – To go into public hearing. Motion seconded by Richard Nielson. Those voting yes: Gene Shawcroft, Marty Larson, Warren Peterson, Dave Tuckett, David Hathaway, Boyd Warren, Richard Nielson. The motion carried.

Public Comments:
No public comments.

MOTION: Richard Nielson – To close the public hearing. Motion seconded by Marty Larson. Those voting yes: Gene Shawcroft, Marty Larson, Warren Peterson, Dave Tuckett, David Hathaway, Boyd Warren, Richard Nielson. The motion carried.

MOTION: Marty Larson – To adopt the resolution regarding amendments to the Fiscal Year 2020-2021 Budget. Motion seconded by Boyd Warren. Those voting yes: Gene Shawcroft, Marty Larson, Warren Peterson, Dave Tuckett, David Hathaway, Boyd Warren, Richard Nielson. The motion carried.

12. Public Hearing/Resolution – Proposed Final Budget for FY 2021-2022

Dave Tuckett reviewed the proposed Fiscal Year 2021-2022 budget. The administrative budget totals \$2,920.00, which is covered so no assessments are needed. If the Agency receives the grant, funds could be taken from the administrative budget to fund some of that project. The project budget shows Project 4 expenditures totaling \$18,496.02 for services from Hansen, Allen & Luce. The current balance is \$26,091.28, which includes the credit of \$2,287.30 for Goshen Valley Local District. The proposed total for Project #5 is \$88,000.00 with \$44,000.00 coming from the WaterSMART Grant, \$28,000.00 from member participant assessments, and \$16,540.00 from in-kind participation.

MOTION: Marty Larson – To go into public hearing. Motion seconded by Richard Nielson. Those voting yes: Gene Shawcroft, Marty Larson, Warren Peterson, Dave Tuckett, David Hathaway, Boyd Warren, Richard Nielson. The motion carried.

Public Comments:
No public comments.

MOTION: Marty Larson – To close the public hearing. Motion seconded by Boyd Warren. Those voting yes: Gene Shawcroft, Marty Larson, Warren Peterson, Dave Tuckett, David Hathaway, Boyd Warren, Richard Nielson. The motion carried.

MOTION: Marty Larson – To adopt the resolution regarding the Fiscal Year 2021-2022 Budget. Motion seconded by Richard Nielson. Those voting yes: Gene Shawcroft, Marty Larson, Warren Peterson, Dave Tuckett, David Hathaway, Boyd Warren, Richard Nielson. The motion carried.

13. State Auditor’s Fraud Risk Questionnaire

Dave Tuckett reviewed the questionnaire, which is submitted to the State Auditor’s Office annually. Board and alternative board members need to do the State Auditor’s online training so additional points can be counted. Following the training, a certificate is created; please send a copy of your certificate to Kim Holindrake. If you completed the training with your entity, just send a copy of the certificate to Kim. Training is required every four years.

14. Other Business

a. Information/Discussion Items for Future Meetings

Chris Hansen noted possible items with the Technical Committee.

Gene Shawcroft requested the update items from this meeting for the next agenda.

b. Other

15. Election of Officers

Dave Tuckett stated the Board needs to appoint a chair, vice chair, and secretary/treasurer. The chair and vice chair can serve one-year terms up to three years, and the secretary/treasurer can serve a three-year term. The current officers have served three years. The chair is also the chief administrative officer and the secretary/treasurer is the chief financial officer.

a. Chair

b. Vice Chair

c. Secretary/Treasurer

MOTION: Warren Peterson – To appoint Marty Larson as Chair, Richard Nielson as Vice Chair, and Dave Tuckett as Secretary/Treasurer. Motion seconded by Boyd Warren. Those voting yes: Gene Shawcroft, Marty Larson, Warren Peterson, Dave Tuckett, David Hathaway, Boyd Warren, Richard Nielson. The motion carried.

Warren Peterson thanked Gene Shawcroft, Marty Larson, and Howard Chuntz for their service.

Marty Larson stated he has great appreciation for Warren Peterson and Gene Shawcroft for serving as chair.

16. Next Meeting – August 16, 2021

This will be an in-person meeting.

17. Adjourn

MOTION: Richard Nielson – To adjourn. Motion seconded by Marty Larson. Those voting yes: Gene Shawcroft, Marty Larson, Warren Peterson, Dave Tuckett, David Hathaway, Boyd Warren, Richard Nielson. The motion carried.

This meeting adjourned at 9:07 a.m.