

MT NEBO WATER AGENCY
BOARD MEETING
Salem City Offices, 30 West 100 South, Salem UT 84653
Monday, February 12, 2024

CONDUCTING

Marty Larson, Vice Chair

BOARD MEMBERS

Bart Leeftang, Central Utah Water Conservancy Dis.
Marty Larson, Genola City
Braden Sheppard, Goshen Valley Local District
ABSENT - Brett Christensen, Payson City
ABSENT - Seth Sorensen, Salem City
Lynn Mecham, Santaquin City
Kevin Oyler, Spanish Fork City
Boyd Warren, Strawberry Highline Canal Co
Sterling Brown, Strawberry Water Users Assoc.
ABSENT - Richard Nielson, Utah County

ALTERNATE BOARD MEMBERS

Gerard Yates, Central Utah Water Conservancy Dis.
Curtis Thomas – Genola City
ABSENT - Paul Munns – Goshen Valley Local District
David Tuckett, Payson City (online, 8:30 a.m.)
Bruce Ward, Salem City
Art Adcock - Santaquin City
Chris Thompson, Spanish Fork City
ABSENT - Lynn Swensen, Strawberry Water Users Assoc.
Glen Tanner, Utah County

TECHNICAL COMMITTEE

Roger Pearson, Central Utah Water Conservancy Dis.
ABSENT - Chris Steele, Genola City
ABSENT - Melanie McVicker, Goshen Valley Local Dis.
ABSENT - Travis Jockumsen, Payson City
Bruce Ward, Salem City
Norm Beagley, Santaquin City
Chris Thompson, Spanish Fork City
Sterling Brown, Strawberry Water Users Assoc.
ABSENT - Richard Nielson, Utah County

STAFF

Kim E. Holindrake, Payson City Recorder

OTHERS

Steve Jones, Hansen, Allen & Luce
Brady Wilde, Salem City
Brett Bovee, WestWater Research LLC
Easton Hopkins, Hansen, Allen & Luce

1. Call to Order

Vice Chair Marty Larson called this meeting of the Mt Nebo Water Agency Board to order at 7:34 a.m. The meeting was properly noticed.

2. Swear in New Board Members

- a. Braden Sheppard – Goshen Valley Local District
- b. Bart Leeftang – Central Utah Water Conservancy District
- c. Art Adcock – Santaquin City
- d. Curtis Thomas – Town of Genola

Kim Holindrake administered the oath of office to Braden Sheppard, Bart Leeftang, Art Adcock, and Curtis Thomas.

Braden Sheppard stated he works for Farmland Reserve. He has worked throughout the western United States with farms and ranches on legal and water issues. He spent seven years on the Governor's Public Lands Committee and has been an attorney for 13 years.

Bart Leeftang stated he is the Assistant General Manager for CUWCD responsible for water supply. This includes oversight and support of the Districts efforts in plan formulation that is aimed at regional, long-term preparation for the rapid growth that is occurring.

Art Adcock stated he has served on the Santaquin City Council for the past two years and moved to Santaquin in 1981. He grew up in southeast Florida.

Curtis Thomas stated he was newly elected to the Genola Council. He runs part of the family farm in Genola, which is a fifth-generation farm. He has been interested in water his whole life. He owned an ENT clinic but is getting ready to retire and spend time on civic items. He is a member of the Strawberry Water Users Board.

3. Public Comment Period

No public comments

4. Approval of Minutes – November 13, 2023, Meeting

MOTION: Kevin Oyler – To approve the meeting minutes of November 13, 2023. Motion seconded by Boyd Warren. Those voting yes: Bart Leeftang, Marty Larson, Braden Sheppard, Bruce Ward, Lynn Mecham, Kevin Oyler, Boyd Warren, Sterling Brown, Glen Tanner. The motion carried.

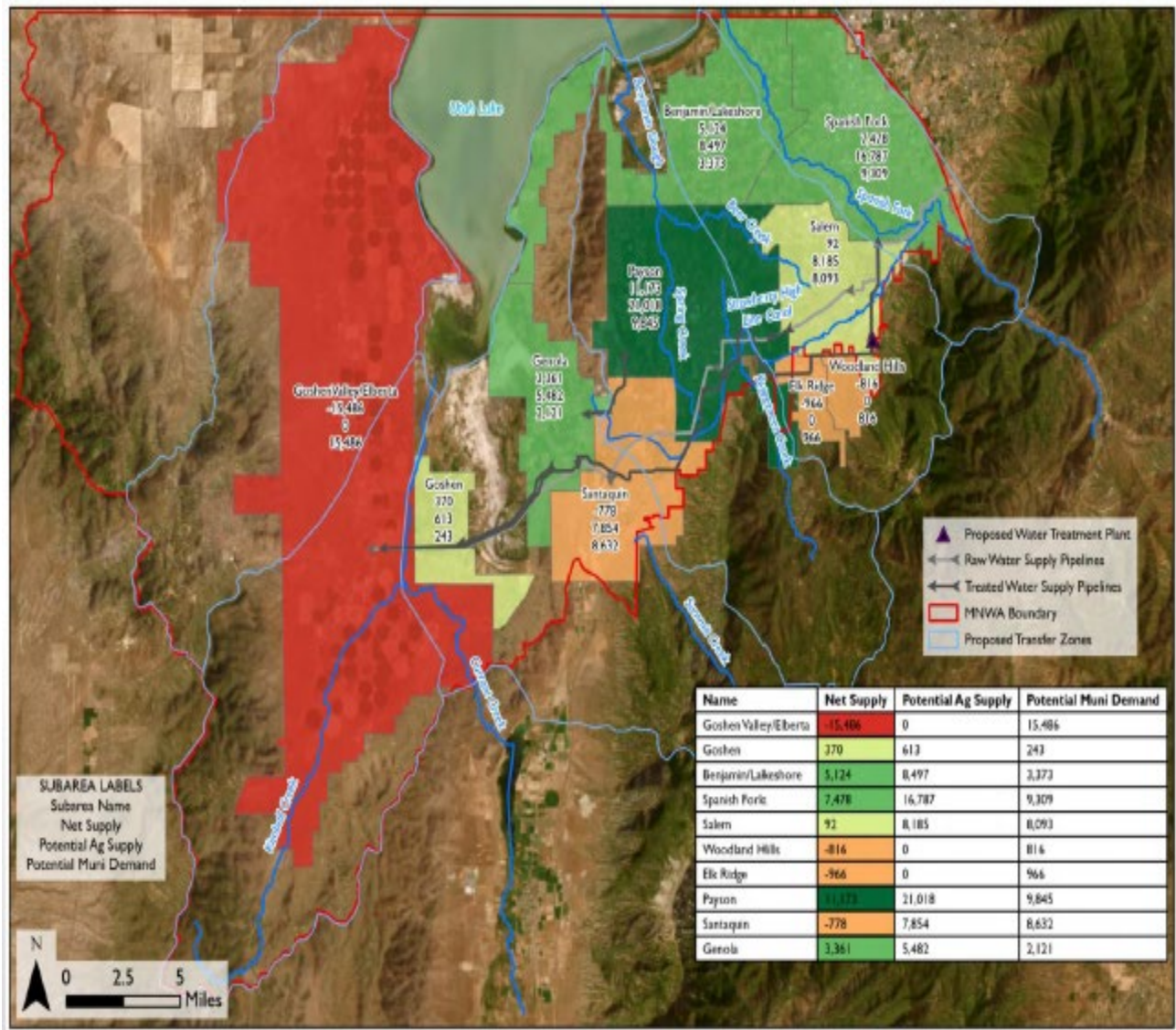
6. Technical Committee Report and/or Action

- a. Update on WaterSMART Banking Grant Project (Westwater Research)

Brett Bovee stated this project began about two years ago with the Mt. Nebo Water Agency (MNWA) interested in exploring water banking as a potential solution to supplemental water changes from the Central Utah Water Project and growth of municipal demands due to population growth. MNWA was awarded a USBR WaterSMART grant to study and potentially create a water bank for southern Utah County. The grant was for \$44,000 with \$44,460 in matching and in-kind contributions. MNWA contracted with WestWater Research for \$49,350, and these are the results of that project. Overarching

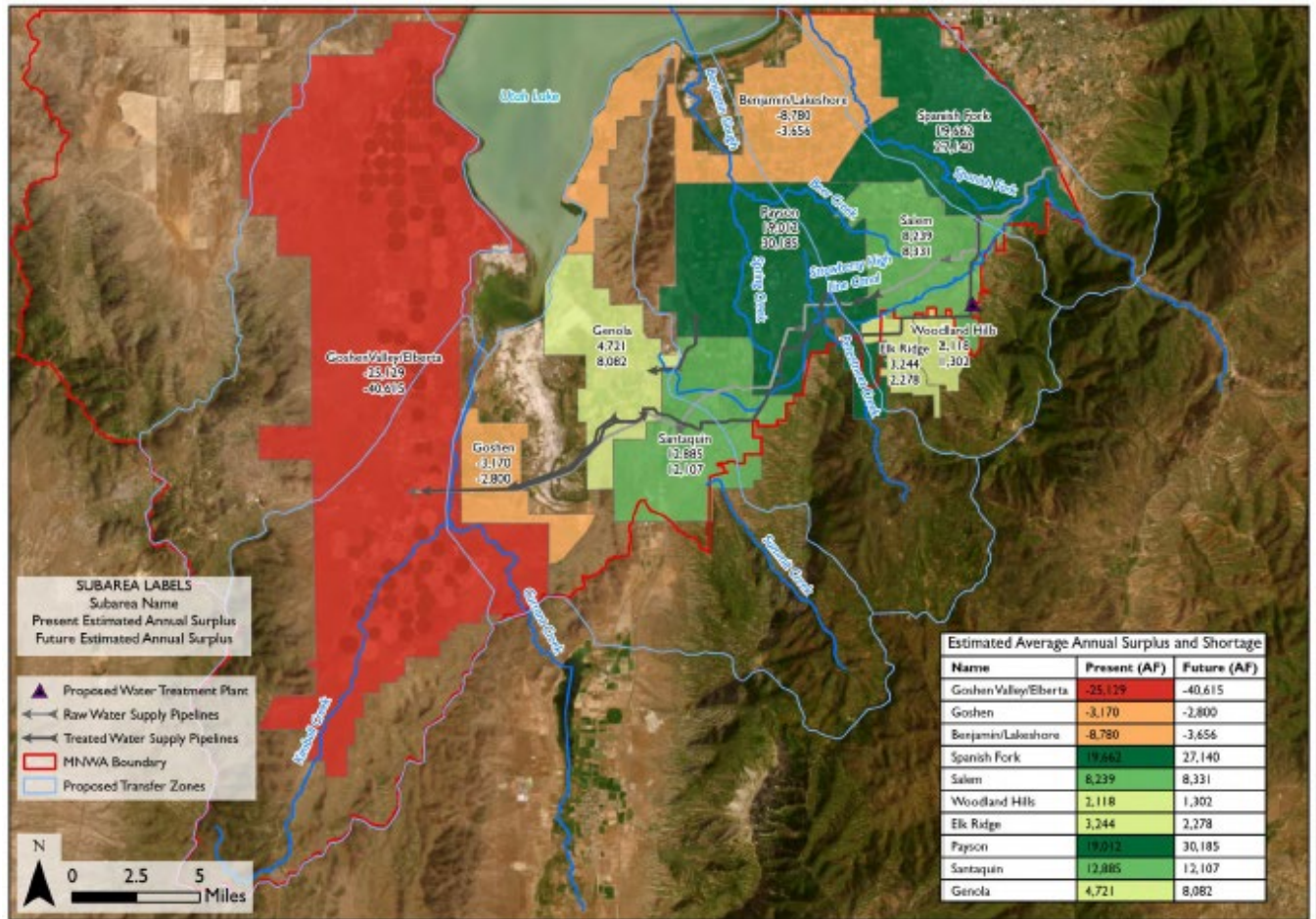
goals included defining how water banking can best serve MNWA members, support an application for a statutory water bank, and engage water users. The project kicked off in February 2023 with research and a survey of water users to further evaluate the water banking concept and wrapped up with an inventory of water right priority dates for MNWA municipalities completed in January 2024.

He reviewed a map showing projected changes in water use through estimated balance from agricultural supplies (land conversions) and municipal demands (population growth).



Projections indicate areas of surplus supply (green) and areas of deficit in the future (red). Deficit areas are those without an agricultural water supply to support municipal demand growth. There is more net demand to the west and in Goshen than upper southern Utah County, but transfers could occur. A water banking concept could allow water right transfers from areas of surplus to areas of deficit with an estimated 18,000-acre-feet of transfers. The graph illustrates potential agricultural supply compared to potential municipal demand for a net supply.

The second map depicts a water balance for each of the 13 areas with an overall average year surplus of 32,800 AFY and a dry year shortage of -43,400 AFY. Shortages are projected for Goshen Valley and two other areas near Utah Lake. A water banking concept to allow water right transfers from areas of surplus to areas of deficit is estimated to be 32,000-acre-feet of transfers.



Part of the grant included looking at potential seed water rights. The LDS water right (59-5897) transferred from Utah and Salt Lake Canal Company to various groundwater PODs in the MNWA area with an extension on proof of use until November 2024 and approved non-use through June 2028. There is no use in new location since the 2014 transfer. There are concerns with transferring water use to Goshen Valley due to exceedance of GMAP pumping thresholds since 2011.

Table 1: Subject Right Summary

Water Right Number	Change Application	Owners	Priority Date	Diversion Volume (AF)	Consumptive Use Volume (AF)	Place of Use
59-5897	a39966	The Church of Jesus Christ of Latter-Day Saints Utah and Salt Lake Company	6/25/2014	982.26	443.98	Goshen Valley Local District
	a46883	Elberta Water Company Goshen Valley Local District	3/11/2021			Elberta Water Company

Supply and demand survey results included identifying 50 stakeholders, selecting 41 stakeholders as relevant, and surveying 28 entities. Out of the 28 surveyed, 15 have no supply available or demand need, 5 have need for leased water, 7 have excess supply available to lease, and 1 has both supply available and demand for water depending on the year type. Municipal entities have surplus supply available for leasing, mostly through the Strawberry Project. Agricultural entities have demand for leased water.

Water banking concepts were explored. Water bank for the exchange of surface water rights found that most “river water” in the MNWA area is tied to farms that have comingled Strawberry Project water, which is difficult to parse out water rights for change application and bank deposit. Water bank for the exchange of ground water rights found that there is no shortage of “paper” water right for groundwater. The constraint is the physical supply of groundwater in some areas in the MNWA area, and the exchange of water rights through a water bank does not address the supply constraint. The Technical Committee concluded that it needs to be a deposit of surface water and a draw of surface water or a deposit of groundwater and a draw of groundwater. There can’t be comingling of surface water and ground water. A rental pool for the flexibility to transfer Strawberry Project water supplies could be beneficial and formalize a trading process that already occurs because Strawberry Project water can’t be deposited in a water bank and many farms have comingled water rights. A rental pool could follow from current negotiations between SPWUA and USBR (shares detach from land parcels).

An alternative concept could be exchanging Strawberry Project water for reduced groundwater pumping by agricultural users. This enhances local groundwater aquifer conditions to support existing municipal water supplies (wells) while a surface water treatment plant is being considered. It also allows municipalities to better exercise their existing groundwater rights without requiring significant new infrastructure and addresses the pending change in the Strawberry Project water assessments. This requires USBR approvals (pending changes), does not require any water right change application, and could be expanded to include a “river water” component of company shares. Anticipated steps include cities contacting canal companies to secure agreements that allow strawberry project water to move anywhere within a city service area and move outside of a city to farmers in a canal system. Canal companies contact SPWUA to secure an agreement to allow Strawberry Project water to move between municipal and agricultural use and move outside of specific lands to any SPWUA lands. SWUA then contacts the River Commissioner (UDWRi) to provide notice of agreements. Cities develop a program to contract with farmers to exchange water supplies, so farmers reduce ground water pumping.

Inventory of groundwater risk due to priority administration reduces agricultural groundwater pumping by providing a replacement water supply (or possibly funding) for the overall objective of sustaining local aquifer health and sustainability. Municipalities have concerns about their drinking water supply wells being curtailed due to priority administration if aquifer health is not achieved, which prompted questions about the priority of municipal wells verses agricultural wells. An inventory analysis provides perspective on relative risk of well curtailment and specific parties to engage in an alternative concept. Municipalities face senior priority agricultural rights in all cases, varying by priority or change case date administration.

Project findings show current supply and demand projections across southern Utah County indicating that some form of water reallocation will be needed. A survey of local water users indicates a municipal surplus of surface water and an interest by the agricultural sector in leasing water. A water bank formed under the state statute and focused on surface water or groundwater transfers is not likely to be a good tool to address the needs of southern Utah County. An alternative concept of operating a surface water exchange for reduced groundwater pumping could alleviate stress on the local aquifer. MNWA member

municipalities should decide if they want to pursue the alternative concept and initiate discussions with groundwater users who pose both risk and opportunity.

In conclusion, it is unlikely surface water rights can be exchanged. Currently, municipalities don't have ways to treat surface water. A physical transfer isn't needed for the right to access water. He doesn't think MNWA would want to apply for a water bank.

Discussion:

Brett Bovee answered questions from the Board. The blue dots represent points of diversion. Buyers and sellers would need to work out capacity constraints. The study did not look at capacity constraints, which would need to be considered. These numbers are the current agricultural water use. Each area has three numbers stacked. The top number is the net of agricultural supply. The next two numbers are agricultural supply and municipal demand.

Sterling Brown noted Central Utah Water Conservancy District and south Utah County have both native and imported to meet the expected population increase. He questioned if the District's studies indicated there is sufficient supply to meet expected population increase.

Bart Leeftang indicated he is still getting up to speed on the studies the District has performed and would need to get back on that. He also indicated the challenge is getting the right water (finished or raw) water in the right place at the right time.

Brett Bovee stated the underlying data and information is from the Hansen, Allen & Luce 2019 regional water supply study.

Steve Jones clarified these are consistent numbers. There is enough water in totality, but water would need to be treated for enough drinking water in the future.

Brett Bovee stated the greatest challenge is distribution within the areas. There is concern with groundwater levels across southern Utah County. Supply and demand show all the needs can be met. There is a groundwater management component even though the numbers show a net supply availability. Without the Strawberry Project water, this would be worse.

Steve Jones noted the value of the Strawberry Project water is it has a reservoir that allows the water to be stored for later years when it is needed. The boundaries used are from the municipal annexation boundaries with some assumptions to resolve contradictory boundaries, which assumptions are not all agreed upon by cities. If the boundaries change, it changes the data only a little because the data is averaged per area.

Brett Bovee noted infrastructure needs to be put in place. Infrastructure exists in Santaquin, Genola, and to the east. Two issues were flagged. One, how to manage the Goshen area and the need for infrastructure to get water there. Two, how to manage the ground water aquifer with those areas in deficit. City wells need to be protected until treatment facilities are built to manage the Strawberry Project water. The future column data depicts growth with a 30-year projection.

Norm Beagley noted the concern is groundwater isn't sufficient to meet demand. Infrastructure is being planned and will come into place. The reality is we are counting on groundwater up until such point as infrastructure is in place for distribution.

Steve Jones reported there is enough water, but the water resource optimization tools are needed to get it in the proper place at the proper time. As we transition to the future, all those solutions are needed to meet all the predicted water demands with the available water supply.

b. Update on Groundwater Management Plan (Hansen Allen & Luce) (8:30 a.m.)

Steve Jones reported the Groundwater Management Plan is close to being presented to the Board. A plan will require coordination with the state and regional engineer and follows the statute 73-5-15. The state wants to stay informed. Those who don't participate in the Plan are not obligated to play along. The Plan is a simple proposal that should be effective and efficient. Data is still needed and continues to be collected. Pumping data is collected annually, and large users are continually identified along with their data. He proposed the Technical Committee meet each spring to look at data and update the model. The plan will then be presented to the Board to determine what is physically available and whether to pull back or not. Data will continue to be collected and the model updated. This buys time to get a treatment plant in place.

Discussion:

Steve Jones answered questions from the Board about the groundwater model. Both input and output data are collected. A good percentage of the wells are participating; maybe 70% to 80 %. All the cities and some agricultural users are turning in data.

Chris Thompson noted well data include where draw down is occurring. This history helps to project out in order to stay within limits of uptake in a five-year period. Historical data is critical. The future includes signing people up to work on what is taken out or not taken out.

Steve Jones noted the last two wet years have allowed the opportunity to cut back on withdrawals and focus on surface water. During dry years, this may prepare the aquifer so cities can overdraw. This model will help us understand this and maximize the groundwater.

Sterling Brown noted this issue is certainly a priority. He looks at what the State Legislature has done in recent years regarding groundwater management plans. He doesn't want it to get to the point where the State Legislature asserts itself to one size fits all. The last thing we want is a heavy hand coming into the area and mandating how to manage some or all of our water. He commends MNWA for taking the lead on this; we will be money ahead.

Steve Jones stated the future is bright because the Mt Nebo Water Agency members are working together to optimize the water supply and the State Engineer fully supports these efforts.

c. Update on Groundwater Database Assistance Contract (Hansen Allen & Luce)

Steve Jones reviewed this item in the previous item. He will provide a cost estimate at the next meeting. The MNWA can continue to use a consultant, or the work can be done by MNWA in-house.

5. Finance Report – Dave Tuckett (8:45 p.m.)

Dave Tuckett presented the finance memo. Since the last meeting five invoices were paid to Hansen, Allen & Luce (\$1,139.75), WestWater Research LLC (\$2,610.00), WestWater Research LLC

(\$4,056.25), WestWater Research LLC (\$5,561.77), and Hansen Allen & Luce (\$630.75). Revenues included interest of \$15.73. Account balances include the reserve account - \$5,000, administrative account - \$32,337.37, Project #5 account - \$20,271.56-, and Project #6 account - \$20,190.50 for a total of \$37,256.31. The current balance of Project #5 – Grant is \$44,000. The current balance of the groundwater database assistance is \$3,074.25.

We are still waiting to hear from the Bureau about the grant extension to finish Project 5 so invoices have been paid out of the Administrative Fund. Once approved, he will submit invoices to be reimbursed 50% of what has been spent. We are in good shape.

7. Other Business (8:48 p.m.)

a. Information/Discussion Items for Future Meetings

Final report on Groundwater Management Plan.

Presentation on history of Mt. Nebo Water Agency, why organized, mission/purpose, ensure moving in the right direction. It was suggested that Warren Peterson, Gene Shawcroft, and/or Steve Clyde be asked to present.

Legislative report to become familiar with pertinent legislative water issues.

b. Other

No other items.

8. Next Meeting – May 13, 2024

The next meeting will need to end at 8:30 a.m. because another entity is meeting in this room.

9. Adjourn

MOTION: Braden Sheppard – To adjourn. Motion seconded by Marty Larson. Those voting yes: Those voting yes: Bart Leeftang, Marty Larson, Braden Sheppard, Dave Tuckett, Bruce Ward, Lynn Mecham, Kevin Oyler, Boyd Warren, Sterling Brown, Glen Tanner. The motion carried.

This meeting was adjourned at 8:52 a.m.