

MT NEBO WATER AGENCY
BOARD MEETING
Salem City Offices, 30 West 100 South, Salem UT 84653
Monday, May 13, 2024

CONDUCTING Richard Nielson, Chair

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

ALTERNATE BOARD MEMBERS Gerard Yates, Central Utah Water Conservancy Dis.
ABSENT - Curtis Thomas – Genola City
Paul Munns – Goshen Valley Local District
David Tuckett, Payson City
Bradey Wilde, 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.
Travis Jockumsen, Payson City
Bradey Wilde, Salem City
ABSENT - Norm Beagley, Santaquin City
Chris Thompson, Spanish Fork City
Sterling Brown, Strawberry Water Users Assoc.
Richard Nielson, Utah County

STAFF Kim E. Holindrake, Payson City Recorder

OTHERS Steven Clyde, Clyde Snow (online)
Steve Jones, Hansen, Allen & Luce
Easton Hopkins, Hansen, Allen & Luce
John Waters, Spanish Fork City
Gary Brimley, Central Utah Water Conservancy Dis.
Brian Hutchings, Woodland Hills City

1. Call to Order

Chair Richard Nielson called this meeting of the Mt Nebo Water Agency Board to order at 7:30 a.m. The meeting was properly noticed.

2. Swear in New Board Members

- a. Paul Taylor – Salem City
- b. Bradey Wilde – Salem City

Kim Holindrake administered the oath of office to Paul Taylor and Bradey Wilde.

3. Public Comment Period

No public comments

4. Approval of Minutes – February 12, 2024, Meeting

MOTION: Marty Larson – To approve the meeting minutes of February 12, 2024. Motion seconded by Dave Tuckett. Those voting yes: Bart LeeFlang, Marty Larson, Paul Munns, Dave Tuckett, Paul Taylor, Art Adcock, Kevin Oyler, Boyd Warren, Sterling Brown, Richard Nielson. The motion carried.

5. Finance Report

Dave Tuckett presented the finance memo. Since the last meeting two invoices were paid to Hansen, Allen & Luce (\$1,139.75 & \$442.00). Revenues included interest of \$12.42. Account balances include the reserve account - \$5,000, administrative account - \$31,906.79, Project #5 account - \$20,271.56-, and Project #6 account - \$16,406.35 for a total of \$33,041.58. The current balance of the groundwater database assistance is \$2,632.25. The current balance of Project #5 – Grant is \$44,000 because it has been funded with the administrative account until the grant funds are received. He has been working with the Bureau of Reclamation on the extension. Once the extension is completed, the grant funds will be released.

6. Resolution - Tentative Budget – Fiscal Year 2024-2025

Dave Tuckett stated the tentative budget needs to be approved and set a public hearing to adopt the final budget for June 10. The tentative administrative budget is fairly simple at \$2,800 with plenty of funds so no assessments will be levied. Normal expenses include the clerk, professional services, treasurer's bond, mailbox, quick books, publications, and the state registration fee. The tentative projects budget includes several projects.

Project 5, Water Banking Grant Project, began at \$88,000 with \$44,000 coming from a grant. The project will come in under about \$54,000 so he will submit half of that with the grant. Once the funds are received, the project will be closed.

Project 6, Groundwater Management, is almost complete. There are a couple invoices left to pay.

The Groundwater Database Assistance is funded through the administrative account.

Board Discussion:

Boyd Warren questioned if the Groundwater Database Assistance will be continued with data collecting. The cities will use this information for planning.

Chris Thompson stated the goal is to keep collecting data under a one or two-year contract. A system has been created, which will be presented during the next item. All entities will self-report with the contracting entity verifying submittals and following up with entities that need to submit. The contracting entity will combine the data in a way to create a plan each year. The information will be available on the website so entities can track groundwater levels to determine overuse or if it's keeping steady. This information will be a useful tool for the whole valley.

MOTION: Marty Larson – To adopt resolution 05-13-2024 and set the public hearing for June 10, 2024. Motion seconded by Bart Leeftang. Those voting yes: Bart Leeftang, Marty Larson, Paul Munns, Dave Tuckett, Paul Taylor, Art Adcock, Kevin Oyler, Boyd Warren, Sterling Brown, Richard Nielson. The motion carried.

7. Technical Committee Report and/or Action

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

Dave Tuckett stated WestWater Research completed this project, but the grant funding still needs to be received.

Chris Thompson noted the findings showed it wasn't feasible to do water banking for a number of reasons and the complexity of imported water from Strawberry Reservoir. What needs to be done is the groundwater management plan with Hansen, Allen & Luce, which is next.

b. Update on Groundwater Management Plan (Hansen Allen & Luce)

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

Chris Thompson stated it's important to do this database and keep it accurate with the information online. It's the truest model to see the groundwater in real time. Over time, it will give a feel for safe yields. If a 10-year safe yield can be achieved, then the groundwater become somewhat of a reservoir, which is a real benefit to the area.

Sterling Brown questioned if there is value in floating this to local public officials at this time.

Chris Thompson explained tracking the groundwater level began about 10 years ago. The larger entities such as the orchards were contacted, and this concept discussed. The groundwater levels were tracked on the large wells and has been done for quite some time. The goal is to reach a point where the data can be used to make decisions on how much groundwater to recommend be taken from the ground. Then a plan can be created. Once a plan is in place, then discussions can be held with local public officials. Currently, it is all speculative, and we don't want to cause concern on speculations. Once it's determined what the groundwater is doing, then good decisions can be made. It needs to be friendly and positive.

Steve Jones noted Hansen, Allen & Luce (HAL) has researched groundwater management information across the western United States. The biggest step is getting everyone at the table,

which Mt. Nebo Water Agency (MNWA) has done including creating a technical committee that meets and is hands on. This plan was previously discussed with the State Engineer, who likes that MNWA is creating a plan, but doesn't need to see the plan. It's considered a voluntary groundwater management plan, and the goal is to make sure groundwater withdrawals do not exceed the groundwater supply. Through the modeling, HAL predicts the cities hold enough water rights to affect the groundwater in the area especially if the cities work with the larger AG users. The idea is to help incentivize the larger AG users to help manage the groundwater supply.

The plan consists of the following steps.

- Data Collection – Collect water use data from member agencies. Work on identifying users and gathering their data. This is an ongoing process.
- Model Development – Update groundwater model with collected data. Model existing and future groundwater trends.
- Alternative Development – Review management alternatives for short- and long-term goals.
- Technical Committee - Meet annually before the spring to review conditions. Develop plan and agreements.
- Board Approval – Review Technical Committee plan and vote for approval.

He was asked to create a budget. The estimated first-year cost is about \$32,000, and the estimated second year and beyond costs are \$24,000 yearly. This includes database maintenance, model development, and alternative development, which could be voluntary among the members, full consultant support, or somewhere in the middle. The schedule includes monthly groundwater data collection, consultant checks groundwater data and begins model update (first week of December), Technical Committee meets with consultant to review model results and the water supply forecast to develop plan alternatives (first Tuesday of March), finalize groundwater management plan for the year (first Tuesday of April), and Technical Committee presents annual groundwater management plan to the Board for approval (second week of May). Currently, the draft plan has been reviewed by the Technical Committee for when the Board is ready for approval.

Board Discussion:

Marty Larson questioned if the monthly reporting is also reported to the state or does the city do two reports. Farmers report at the beginning and end of the season. Cities may do it monthly.

Steve Jones explained cities are required to report the metered/usage data yearly. This groundwater reporting is not connected to the state database. The plan focuses on individual well volume and groundwater levels. The concept is to do it monthly because the cities are required to turn in monthly water use data. Many cities have daily numbers. An email reminder is sent with a link to the site where the information is input. The hope is to make it as easy and painless as possible because the data is the meat of the plan.

Chris Thompson clarified when MNWA first started, this groundwater management plan was the first thing the Agency wanted to accomplish. It was done in google sheets. At the same time, the north Utah County cities got together and elected to do the same in their area using Microsoft. This first project was to put our data in their model because it presents the graphs very well in real time. He really likes the cost of this plan. When approaching this groundwater management

plan, a huge study was envisioned with detailed and complex models at a cost of hundreds of thousands of dollars. When HAL presented it to the Technical Committee, it was realized that this was the most accurate way to accomplish the plan and cost effective. With the large users, mostly cities, feeding the database, the groundwater can be accurately tracked over time making assumptions and correct those assumptions if the groundwater starts to decline. It's a great ongoing way to monitor the groundwater, track it, and gradually make improvements. The proposal is to look at the groundwater over 10+ years and see if it's headed in a good direction. If the groundwater is declining, then the technical people get together and determine the best way to handle it voluntarily. Nothing will be enforceable; but hopefully, everyone is willing to follow the plan. This will avoid some of the major groundwater problems found in other areas of the west and avoid the state implementing a mandatory groundwater management plan. This is the best most accurate way to do it.

Dave Tuckett stated the estimated first year cost will be added to the fiscal year budget for adoption in June. He will prepare an assessment for all the members to participate for review prior to the June public hearing. He will use the same percentages as previous assessments.

Chris Thompson noted this doesn't need to be a project but a maintenance cost.

8. Legislative Updates/Changes
a. 2024 Legislative Session

Steve Clyde noted over 500 bills were passed by the Utah Legislature this year. He reviewed pertinent bills that affect water. The information in the packet was assembled by Dani Cepernich and presented to the Water Law CLE Program in conjunction with the Utah Water Users Association meeting.

HB 280, Water Related Changes (Fifth Substitute) - This is a massive piece of legislation that probably should be three separate bills. It aimed to consolidate the various water funding mechanisms in the state into a few existing funds to simplify accounting and tracking. However, this proposal faced resistance from those accustomed to the existing system. As a result, the bill was transformed into a study bill, subject to thorough examination by the water task force and other relevant entities. Two significant concerns emerged from the bill. Firstly, it proposed the establishment of a committee to prioritize water infrastructure projects for funding, potentially introducing political influences into the decision-making process. Critics worried that well-funded interests might sway the allocation of funds, undermining the fairness of the system. Secondly, the bill suggested funding the substantial infrastructure repair and replacement needs—estimated to be around \$60 billion—through imposing fees on retail water users. However, the lack of clarity regarding the amount, collection methods, and beneficiaries of these fees sparked discontent among the public, who were wary of potential financial burdens. Despite these concerns, the bill remained under scrutiny, highlighting the pressing need to address funding challenges for water infrastructure projects. Various financing options, including tax increases and expanded debt limitations, were under consideration to tackle this issue. The bill's implications underscored the significance of finding equitable and sustainable solutions to fund essential infrastructure needs.

SB 18, Water Modifications (First Substitute) – This bill introduced a mechanism to quantify and monetize water savings achieved through water optimization efforts within the agricultural

community. By reducing water usage, whether through decreased depletion or diversion, the aim is to encourage genuine conservation practices. This bill incentivizes individuals by allowing them to sell their saved water, lease it for instream flows, or transfer it to others, thereby providing economic benefits for their efforts. Considerable attention is being devoted to studying and implementing the necessary monitoring and telemetry systems to effectively track water savings. Enhanced funding opportunities are also being explored to facilitate this endeavor. The bill builds upon previous efforts, particularly the agricultural water optimization programs established the preceding year. By quantifying and monetizing saved water, it provides a tangible economic incentive for further conservation efforts. This legislation represents a significant step towards incentivizing water conservation within the agricultural sector. It aims to capitalize on the successes of existing programs while offering additional economic benefits to participants. Monitoring and implementation will be crucial in realizing the full potential and its impact on water management practices.

SB 211, Generational Water Infrastructure Amendments (First Substitute) – Senate President Adams and Speaker of the House Schultz spearheaded the bill. It emerged as a controversial piece of legislation, shrouded in ambiguity regarding its objectives and feasibility. The bill proposes the appointment of a water agent tasked with negotiating the possibility of importing water from other states—an endeavor fraught with challenges. One major obstacle lies in the stark reality that water resources from neighboring states, particularly the Colorado River, are already fully allocated, leaving little to no room for additional imports. Consequently, attention has turned towards potential water sources within the Columbia River or Snake River drainage. However, it seems improbable that these entities would willingly relinquish their water rights to accommodate such requests. Nevertheless, there might be avenues for water procurement, such as leasing water from tribal reserves. Tribes often possess significant water allocations, which could be tapped into through proper adjudication processes. However, this route requires clarity and legal certainty regarding tribal water rights, which has yet to be fully resolved. The Bill remains a subject of scrutiny, with stakeholders hesitant to fully endorse or oppose it due to its unclear objectives and potential ramifications. While it presents the prospect of addressing water scarcity issues through innovative means, its practicality and effectiveness are uncertain. Observers continue to monitor developments, acknowledging the bill's potential impact while remaining cautious about its practicality and feasibility.

HB 453, Great Salt Lake Revisions (Fourth Substitute) - House Bill 453 focuses on addressing water usage within the mining industry around the Great Salt Lake. The industry holds significant water rights, with millions of acre-feet allocated for extraction purposes. However, only a fraction of this water is actively utilized. The bill aims to compel mining companies to reassess their water usage and determine realistic future needs for their operations. Any surplus water that is not essential for mining activities could potentially be returned to the lake, contributing to its preservation. Key discussions revolve around establishing voluntary agreements with major mining companies, such as Compass Minerals and US Magnesium to relinquish excess water rights. These agreements could help bring down water usage levels and make additional water available to support the ecological health of the Great Salt Lake. However, challenges persist, including legal complexities surrounding a public trust doctrine lawsuit. This lawsuit seeks to compel the state to address water rights allocations to benefit the environment, but implementing such changes would involve lengthy legal proceedings and significant logistical hurdles. Efforts to resolve these issues include legislative initiatives and legal interventions aimed at finding equitable solutions. A voluntary, market-based approach to

289 reallocating water rights is favored over coercive measures, as it offers a more practical and
290 potentially less contentious path forward. Overall, the Bill represents an ongoing effort to
291 address water management challenges in the Great Salt Lake region. While obstacles remain,
292 there is optimism that collaborative efforts and legislative actions will lead to sustainable
293 solutions that balance the needs of various stakeholders while preserving the lake's ecosystem.

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295 b. Other

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297 No other items were addressed.

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299 9. Other Business

300 a. Information/Discussion Items for Future Meetings

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302 Marty Larson noted at the last meeting, it was suggested to address why the Mt. Nebo Water
303 Agency was organized, its mission, and purpose.

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305 b. Other

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307 No other business was addressed.

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309 10. Next Meeting – June 10, 2024

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311 11. Adjourn

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313 **MOTION: Kevin Oyler – To adjourn.** Motion seconded by Bart Leeclang. Those voting yes:
314 Bart Leeclang, Marty Larson, Paul Munns, Dave Tuckett, Paul Taylor, Art Adcock, Kevin Oyler,
315 Boyd Warren, Sterling Brown, Richard Nielson. The motion carried.

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317 This meeting was adjourned at 8:27 a.m.