

Goshen Valley Local District

Regular Meeting of the Board of Trustees

16100 South 12800 West, Elberta, UT 84626

March 16, 2023, 11:00 a.m.

Board Members present:

Wes Quinton – (Board Chair) FRI Conference Room

Brandon Andersen (Board Member and Treasurer) – EVA Conference Room

Paul Munns (Board Member)

Staff:

Dave Sanderson – Financial Accountant – Teams

Peter Gessel – District Counsel – FRI Conference Room

Angela Wood – District Clerk – FRI Conference Room

Tracy McDaniel – Deputy District Clerk – EVA Office (Teams)

Public Attendance via Teams:

Melanie McVicker – Volunteer Consultant – FRI Conference Room

Kent Jorgensen – Representative of AgReserves, Inc. - Teams

Persons excused from attending:

None

The Board Meeting of the Goshen Valley Local District (GVLD) was held via Microsoft Teams and in person at the Elberta Valley Ag and Farmland Reserve, Inc. offices.

The meeting was called to order at 11:05 a.m. with Wes Quinton conducting the meeting.

1. Welcome and roll call (Agenda Item #1 – 0:25)

Mr. Quinton welcomed all to the meeting and took a roll call (see list above).

2. Statement of conflict of interest by Board (Agenda Item #2 – 1:43)

Mr. Quinton stated that he has a conflict of interest as a Board Member of Mt Nebo Water Agency and as an employee of Farmland Reserve, Inc. who has a contract with AgReserves, Inc. which manages the farm ground located within the District area.

Mr. Anderson stated that he has a conflict of interest as an employee of AgReserves, Inc.

Mr. Munns stated that he has a conflict of interest as a board member of Current Creek Irrigation Company, as an alternate board member of the Mount Nebo Water Agency, and as an employee of Elberta Valley Ag.

3. Public comment (Agenda Item #3 – 3:30)

Mr. Quinton asked for public comment. No comments were offered.

4. Financial report on current expenses and budget (Agenda Item #4 – 3:50)

Mr. Sanderson reviewed the current expenses (through the end of February 2023). He reported that this early in the year, there is not a lot of activity, except in the category of Infrastructure Repairs where \$1000 was budgeted for 2023, but \$9700 has been expensed. This was due to carry over of invoices

from 2022. The budget will need to be amended in October to accommodate the increase. Everything else is in line with the budget.

Mr. Quinton addressed the deficit as shown in the Budget Report because the District has not yet received the expected grant. He asked to see the February 28, 2023 Balance Sheet which shows funds in the checking account. He stated that the Church of Jesus Christ of Latter-day Saints (the Church), the major landowner within the district, prefers to wait until the account is low before providing funds via the annual grant. He asked if there were any upcoming expenditures that would reduce the available funds enough to require the grant request within the next quarter. Ms. McVicker reported there might be a couple of small invoices remaining from the groundwater monitoring project, but all major expenses have been paid. With that information, Mr. Quinton stated the grant request could likely wait until later in the year. Ms. Wood requested that Mr. Sanderson request a special meeting of the board if he feels funds are getting low before the next scheduled Board Meeting.

Mr. Quinton asked for any additional comments on the financial report and received none.

5. Consideration for approval of the November 15, 2022 Board Meeting Minutes (Agenda Item #5 – 9:13)

Mr. Quinton asked if there were any additional changes needed to the November 15, 2022 Pending Board Meeting Minutes. No changes were requested.

Mr. Andersen moved to accept the November 2022 minutes as presented.

Mr. Munns seconded the motion.

The vote was unanimous in the affirmative.

6. Report on potential land sales that may impact GVLD or require GVLD services (Agenda Item #6 – 10:20)

Mr. Jorgensen reported AgReserves, Inc. has been approached by a potential buyer interested in installing a natural gas peaking plant next to the existing natural gas pipeline. They are interested in 20 acres with water usage for the facility expected at 30 ac/ft per year. He is not certain it will come to fruition, but if it does, it would be within the GVLD area and water supply infrastructure would need to be built. Mr. Quinton clarified that GVLD would expect the dedication of that infrastructure by the current landowner or the buyer and would not be expected to take responsibility for the expense of the infrastructure. Mr. Jorgensen confirmed negotiations with the buyer include infrastructure cost and dedication by the buyer. Mr. Gessel asked about the water required by the buyer. Mr. Quinton explained that currently GVLD is leasing water from the Church but will eventually need to acquire the water from the Church. Mr. Jorgensen reported that negotiations should begin next week, and he expects to know within a couple of months if the project will go forward. After discussion of what the next steps for GVLD should be, Mr. Quinton suggested that GVLD wait until there is more certainty the purchase will occur before moving forward too quickly. Mr. Jorgensen confirmed that there is not currently a need for urgency, but that the buyer will need to know the impact fee structure before a sale can be finalized.

Immediate items to complete:

- a. Ms. McVicker – negotiate and finalize contract with Bowen Collins & Associates for engineering services.
- b. Bowen Collins & Associates – engineering study
- c. Mr. Gessel – complete impact fee policy and forward to the GVLD Board for review. Include variations for impact fees, contributions in lieu of impact fees, contributions with impact fees, impact fees over \$250K, and requirements for written analysis (reasonable plan) if less than \$250K.

- d. Subcommittee – review impact fee policy and present to the GVLD Board for resolution. Subcommittee assigned: Mr. Gessel, Ms. McVicker, Mr. Jorgensen,
- e. Mr. Quinton – finalize amendment to the GVLD water lease with the Church.
- f. Mr. Jorgensen – notify GVLD as negotiations progress with the potential buyer.

7. Water dedication policy (Agenda Item 7 - 23:13)

Mr. Gessel explained that a Water Dedication Policy, also known as an Exaction Policy, usually requires a user of water to purchase the water asset and dedicate it to the local water district. An exaction policy is usually separate from an impact fee policy, though it can be included under that policy. Mr. Quinton said that as land is sold within the GVLD District area, water acquisition and dedication may be required to ensure availability of water for the user.

SB 158 has specific requirements for an exaction policy related to culinary water. Mr. Quinton said that the GVLD area is currently zoned for industrial use. He said the area will likely expand to residential areas in the future and the exaction policy can be updated then.

Mr. Gessel said he will work on the policy and requested the assistance of the previously named subcommittee.

Mr. Gessel requested a review of GVLD policies with Ms. Wood to ensure all required policies are in place prior to the start of development of the GVLD area.

8. 2023 legislative update (Agenda Item #8 – 32:05)

- a. SB 158 – discussion was included in Item #7
- b. SB 43 – Changes to the public notice requirements for Districts
 - i. For Regular Board Meetings, post on the Utah Public Notice Website, no change to what we are currently doing.
 - ii. Other types of meetings (impact fee resolution, long term plan, appointment of board members, elections, notice of board resolution or action) require physical posting in a public place in addition to the Utah Public Notice Website. Some meeting types require notice by mail sent to all landowners within the district area. Mr. Gessel will prepare a guide with the new requirements.
- c. Other bills of note
 - i. SB277 – Water Conservation and Augmentation Amendments – after proof of depletion, excess water may be sold or banked.

Mr. Gessel will prepare a district update summarizing the relevant water-related bills.

9. Auto-Owners Insurance audit (Agenda Item #9 – 42:00)

Ms. Wood explained that Auto-Owners Insurance has requested an audit which will occur on March 21st. They are requesting what we are spending on each subcontractor account, what our principal activities are, who our employees are, who our volunteers are, how many hours they have worked, and what their responsibilities are. Ms. Wood's biggest concern is Certificates of Insurance for our subcontracts.

Ms. Wood reported that Alyvia, the auditor, mentioned we will need to keep track of how many hours the volunteers are contributing toward District business. This request will apply to Ms. Wood, Ms. McDaniel, Ms. McVicker, and Mr. Jorgensen.

10. Other business (Agenda Item #10 – 44:35)

- a. Mr. Andersen asked about the Groundwater Management Plan proposed amendment. Ms. McVicker reported that the proposed changes, as discussed in the meeting with the State Engineer, include:

- i. Lowering of the measurement threshold required for reporting.
- ii. No new groundwater diversions allowed in the basin.
- iii. Any change applications within the basin will be critically reviewed.

Ms. McVicker reported that the UGS hydrogeology study shows the groundwater in Juab valley is over drafted. It has lowered the Mona Reservoir levels and flows in Current Creek which is reducing the groundwater recharge of the Goshen Valley aquifer. She suggested GVLD comment on the relationship between the Goshen Valley and Juab Valley basins and the possibility of managing the two basins concurrently.

Mr. Quinton asked Mr. Gessel for a bid/estimate to review the proposed amendment and give recommendations for comment.

Ms. McVicker said she talked to Mr. James Greer, Church Natural Resource Department representative, about the interaction between the two water basins. He said there is not a good way for the State Engineer to administer the two basins conjunctively. She reported that it was a big concern raised in the meeting. Mr. Quinton asked Ms. McVicker to request Mr. Greer's recommendations and forward them to Mr. Gessel to prepare GVLD response.

Mr. Andersen asked about the potential water right loss in the proposed amendment. The reality is that withdrawal is occurring more quickly than aquifer recharge and a curtailment will likely happen. Historically, curtailments in other basins have occurred over decades. Ms. McVicker said there are a couple of steps that will take place.

- i. Additional groundwater monitoring will occur over the next several years.
- ii. Public process for creating a groundwater management plan amendment to limit withdrawals to safe yield according to water right priority.
- iii. Curtailment could occur over the following decades according to the new groundwater management plan amendment.

The State Engineer said she wants to start "water right audits" at the end of this summer by contacting all water right owners and asking if the water is being used and how.

- b. Mr. Quinton asked Ms. McVicker for a status on the 40-year plan. She reported GVLD needs to review the plan and finalize it. Mr. Quinton asked for a report in the June Board Meeting.
- c. Mr. Gessel reported that two bills passed that define local districts. No change is required to the name of the district, but he suggests a resolution is passed affirming that GVLD is a special district under the new statute.
- d. Mr. Gessel reported Utah County will take action on Mr. Munns' expired Board position in their March 22nd County Commission Meeting.

11. Next Meeting (Agenda Item #11 – 1:00:30)

The next meeting will be held on June 20, 2023.

Mr. Quinton called for a motion to adjourn the meeting.

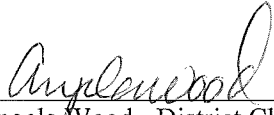
Mr. Andersen moved to adjourn the meeting.

Mr. Munns seconded the motion.

The motion passed unanimously in the affirmative.

The meeting was adjourned at 12:05 p.m.

I, Angela Wood, District Clerk, certify that the above minutes are accurate and were approved in the Goshen Valley Local District Regular Meeting of the Board of Trustees held June 26, 2023.



Angela Wood - District Clerk