MINUTES OF THE
LAKE POWELL PIPELINE MANAGEMENT COMMITTEE

Minutes of a public meeting of the Lake Powell Pipeline Management Committee, held on Tuesday, November 10, 2009, at 9:00 a.m. at 533 East Waterworks Drive, St. George, Utah.

Board Members present: Harold Shirley (Board of Water Resources), R. Scott Wilson (CICWCD), Ronald Thompson (WCWCD) and Mike Noel (KCWCD).

Also present: Eric Millis (Utah Division of Water Resources), D. Larry Anderson (Utah Division of Water Resources), Harold Sersland (Utah Division of Water Resources), Brian Liming (MWH), Marc Brown (MWH), Paul Van Dam (Citizens for Dixie's Future), Lisa Rutherford (Citizens for Dixie's Future), Waid Reynolds, Cheri Reynolds, LeAnn Skrzynski (Kaibab Paiute Tribe), Paul Blanchard (NW Pipe Company), Diane Shirley, Corey Cram (WCWCD), Barbara Hjelle (WCWCD), and Tina Esplin (WCWCD).

Welcome—Eric Millis welcomed everyone and conducted the meeting.

Approval of July 21, 2009 minutes—Ron Thompson moved to approve the July 21, 2009 minutes, Scott Wilson seconded the motion and all voted aye.

FERC Schedule and Current Status—Brian Liming made a presentation on the schedule update. He said the agency coordination meetings are going to be held in November and December to share data and results of the different studies that we have been doing. The draft technical reports completed in November and early December will be shared with the agencies and tribes for their review and comment. This is a preliminary review, so that we can let the agencies and tribes understand some of the data that we received and some of the analysis that we have been conducting. We will incorporate any comments that the agencies and tribes would like to provide us from this preliminary review in mid-January and then we will file the initial study reports with FERC on January 21, 2010. With that filing, which is a date that has been determined by FERC, that kicks off the schedule for the initial study report meeting to be held on February 5; and then by February 20, the Board of Water Resources submits a meeting summary on the initial study report meetings to FERC. Then, the next step in the process is that the stakeholders can make comments on the initial study reports and requests to modify any of the study plans or file any study plan disputes. Those would be due to FERC by March 22. Then, stakeholder responses on any of those comments, all of which are posted to FERC's docket, and any of the stakeholder responses on the study plan modification requests, would be due to FERC by April 21. FERC then takes all that information and will make a determination on the study plans by May 21. If second-year studies are not required by FERC, the preliminary licensing proposal would be filed with FERC on June 24. That would be the earliest date that we could file a preliminary license proposal. If FERC determines in their director's report on May 21 that they want second-year studies, we would continue to complete those studies and follow that with

the preliminary licensing proposal. If second-year studies are not required, we would expect FERC to issue their comments on the preliminary licensing proposal by September 20, then the earliest date the board could file the license application would be November 22. Once the license application is filed, that starts the post-filing process and FERC takes over. They would begin to prepare the draft EIS and the license application. From that point forward, the board doesn't have an involvement, except to respond to any requests that FERC might have. Mike Noel asked how much involvement MWH has in that process. Brian Liming said FERC has a third party consultant that prepares the actual EIS and conducts the analysis. There is no cost to the Board of Water Resources for that directly. Once a license is issued on a project, the fees that the applicant or the licensee pays goes into a pool to pay for all the future projects, so all the other license holders right now are paying for the cost of the draft EIS and final EIS. We have an opportunity to comment on the draft. The state is the applicant. The cooperating agencies are the Bureau of Reclamation, Bureau of Land Management, National Park Service and Kaibab Band of Paiute Indians. Mike Noel asked if the counties involved could be cooperating agencies. Brian Liming said there would have to be some sort of request or nexus. Right now during this pre-licensing process, any entity could request cooperating agency status with FERC, and then FERC would determine whether or not they would grant that status. Brian Liming will email the slides to all committee members and will post them on the Lake Powell Pipeline website.

Report on Progress on Environmental and Cultural Resource Studies—Brian Liming gave a report on the environmental field studies. We collected data out in the field and did field studies this last year on air quality, geology and soil resources, paleontological resources, noise, recreation resources, special status vegetation species and noxious weed, visual resources, vegetation resources and wildlife resources. These are all studies we have completed the field work on and are now doing analysis that will be reported in the various study reports.

He showed the different alignments of the pipeline. The alignment across the Kaibab Indian Reservation along Highway 389 is one of the alternative alignments, and the overall pipeline alignment is the south alignment which goes around the Kaibab Indian Reservation. Also, near the east end of the project are the transmission lines that we are looking at to bring power to the pumping stations. We have done the studies along those transmission line alignments as well. The study areas go up along the Cedar Valley pipeline alignment up to Cedar Valley and to the proposed Cedar Valley water treatment plant, which would be the terminus of the Cedar Valley pipeline. We have the studies that go along Highway 89 west of the Grand Staircase Escalante National Monument to take the water to Kane County Water Conservancy District and their proposed water treatment plant in the Johnson Canyon area.

The field studies that are still in progress are archaeological and historic-era resources, special status wildlife species studies because they are date specific, wetland and riparian resources studies and ethnographic resources. We are conducting research with some of the tribes and having informal consultation with other tribes. We have had meetings with six Native American tribes, and received and accepted research study proposals from the

Hualapai and Zuni tribes. Research study proposals are pending from the Hopi and Navajo Nations. We recently had meeting with the Kaibab Band of Paiute Indians and also the Piute Indian Tribe of Utah regarding the ethnographic studies. There have been contacts made with 23 Native American tribes. FERC had delegated authority for informal research and consultation during this pre-licensing activity period to the Utah Board of Water Resources. Any consultation requested as formal consultation by the tribes has to be done with a federal agency, so we have been coordinating with the BLM, National Park Service, Bureau of Reclamation and FERC regarding meeting Section 106 of the Natural Preservation Act requirements for consultation. The meetings we have had have been very productive, and we feel like we have had some very good discussions and relationships with these tribes.

Other environmental studies we have been performing and now preparing reports on are surface water resources, surface water quality, groundwater resources, aquatic resources, special status aquatic species and habitats, land use study, transportation study, socio-economic/water resource economics, water supply and summarizing climate change based on existing literature and also developing alternatives. There are 23 study plans that were approved by FERC. These are the studies that we're carrying out, and each will have a study report. The initial study reports include the draft study reports that are in preparation now and those are what are due on January 21. FERC's requirement is to file initial study reports on January 21, but those are not necessarily the draft study reports. The Management Committee has proposed that we file as many of the draft study reports as possible to keep the project on an accelerated schedule, so the draft study reports will be provided to the Management Committee as they are completed in November and December. In mid-December, we expect to send those out again to the agencies and tribes for preliminary review prior to the formal process that FERC has for review of those. Any draft study reports that are not completed by January 21, we will provide to FERC and the agencies and the tribes as they are completed following our internal review. We are moving forward with as many of the draft study reports as we can file by the 21st, but it is not a requirement. We just have to file a progress report or an initial study report to FERC by January 21.

Committee Recommendation to Board of Water Resources to Submit Study Reports to FERC—Eric Millis said on December 10, the Board of Water Resources will be meeting. If you are satisfied with the schedule and the way things are going, the Board of Water Resources would like to have a recommendation from the Management Committee that these initial study reports be reviewed and turned over to FERC on January 21. Ron Thompson said some of the reports will not be ready by this meeting on December 10. Eric Millis said that some of the reports such as ethnographic studies will be still ongoing for awhile, so the ones that are not yet complete would go in draft form. **Ron Thompson made a motion that we recommend to the Board of Water Resources that the study reports be submitted to FERC as they are prepared and ready and before January 21, Scott Wilson seconded the motion and all voted aye.**

Approval of Project Expenses—Eric Millis went over expenses per his Memorandum dated November 10, 2009 as follows:

To-date costs to be reimbursed through the eventual sale of water are the charges by MWH, the Bureau of Land Management and the Bureau of Reclamation.

MWH has billed the Division each month and staff has reviewed and approved payment.

Total at last report	**$ 9,474,493**	**45.2 %**
July 2009	**$ 992,039**	**4.7 %**
August 2009	**$ 739,777**	**3.5 %**
September	**$ 1,027,598**	**4.9 %**
Total:	**$12,233,907**	**58.4% of the $20.953M contract**

The second payment to the Kaibab Paiute Tribe for the cost of tribal monitors and business activity tax for studies performed on the Reservation was made last month in the amount of $9,528.79. This brings the total paid to the Tribe to $12,987.01.

To date, $141,000 has been paid to the Bureau of Reclamation and $190,000 to BLM for their expenses on the project.

Eric Millis said that since the time the Management Committee last met in July, we have received three bills and made three payments to MWH totaling $12,233,907, which is 58.4% of the total contract. Also, we made a couple of other payments in order to do the cultural and environmental resources studies on the Kaibab Paiute Reservation to pay their business tax and to pay tribal monitors that accompany the people doing the studies. Our last payment to them was $9,528.79, bringing the total we paid to the tribe this summer to $12,978.01. We have not paid any additional money to the Bureau of Recreation or BLM, so it now stands at $141,000 paid to the Bureau of Reclamation and $190,000 to BLM. We are on a highpoint in terms of the amount we are paying each month because of the studies being done. The business activity tax is required for work being done by us on the reservation. We can't get off the road and walk across tribal lands unless we have a tribal monitor, so in order to do the study plans we had to have tribal monitors. Ron Thompson said they are nice to have. The District has used them numerous times, and they bring a lot of history and they know where to go. LeAnn Skrzynski said it is common policy with all tribes to make sure our resources are protected at all times. Eric Millis the tribes have been very good to work with. **Harold Shirley made the motion to ratify the July, August and September billings, Scott Wilson seconded the motion and all voted aye.**

Approval of 2010 Meeting Schedule—Eric Millis proposed dates for Management Committee meetings for 2010 for Friday, March 19, Tuesday, July 13 and Tuesday, November 9. **Ron Thompson made a motion to notice up these three meetings as the Management Committee's regularly scheduled meetings for 2010, and if special**

meetings are needed, they can be called up by special notice, Scott Wilson seconded the motion and all voted aye.

Other Items—no other items.

Next meeting—Friday, March 19, 2010 (after the State Water Users Conference).

There being no further business, the meeting was adjourned.

Secretary