

MINUTES OF THE LAKE POWELL PIPELINE MANAGEMENT COMMITTEE

Minutes of a public meeting of the Lake Powell Pipeline Management Committee, held on Monday, November 8, 2010, at 3:00 p.m. at 533 East Waterworks Drive, St. George, Utah.

Board Members present: Scott Wilson (Central Iron County Water Conservancy District), Ronald W. Thompson (Washington County Water Conservancy District), Dennis Strong (Utah Division of Water Resources), Michael Noel (Kane County Water Conservancy District) and James Lemmon (Utah Division of Water Resources).

Also present: Eric Millis (Utah Division of Water Resources), D. Larry Anderson (Utah Division of Water Resources Consultant), Roger Pearson, (Division of Water Resources), Harold Sersland (Utah Division of Water Resources Consultant), Pete Samuolis (Kennedy Jenks), Marvin Maize (G.C. Wallace, Inc.), LeAnn Skrzynski (Kaibab Paiute Tribe), Kai Reed (Citizens for Dixie's Future), Barbara Hjelle (Washington County Water Conservancy District), Corey Cram (Washington County Water Conservancy District), Brian Liming (MWH), Marc Brown (MWH), and Tina Esplin (Washington County Water Conservancy District-Secretary)

Welcome and Introductions—Dennis Strong welcomed those present and conducted the meeting. Board members have been reappointed, Jim Lemmon has been appointed as a board member and all appointments have been reaffirmed by the Districts and Board.

Approval of July 13, 2010 Minutes—**Jim Lemmon made a motion to approve the minutes of July 13, 2010, Ron Thompson seconded the motion and all voted aye.**

Report on Resources Studies and Schedule—Brian Liming reported on resource studies and the schedule. We have been looking at scour chains and crest gages in the wetland and riparian areas primarily in the washes that are mostly dry, ephemeral washes, and some stream channels all along the pipeline alignment, some on the Kaibab Indian Reservation and the Glen Canyon Recreational area. We will be submitting a request to the Kaibab Band of Paiute Indians to make one last field trip to record and will then remove them from the streams and washes. The Cultural Resources Field Studies, the Special Status Wildlife Studies and the Vegetation Resources Field Studies have been completed. The Ethnographic Resources Studies are still ongoing with the various Indian tribes and the University of Arizona representing the Southern Paiute Advisory Committee. They are working with the Kaibab Band of Paiute and San Juan Southern Paiute Tribe. The Paiute Indian Tribe of Utah has indicated their interest of working with the University of Arizona Southern Paiute Advisory Committee as well. Sage Brush Consultants, MWH's sub-consultant for the Ethnographic Resources and Cultural Resources, has a contract with the Pueblo of Zuni Tribe and the Hualapai Tribe for potential impacts on resources as a result of the project. Agreements are pending with the Hopi Tribe, Navajo Nation and Havasupai Tribe. The Navajo Nation, Hopi Tribe and Havasupai Tribe would like to do their own studies, and the Havasupai Tribe has indicated they may join with the Hualapai Tribe. The end dates on the contracts with the various tribes and with the University of Arizona and the deliverable dates are January 31.

For environmental resources, we now have preliminary drafts completed for all of the studies except for Ethnographic Study Reports. We submitted preliminary draft study reports for Aquatic Resources, Archaeological and Historic-Era Resources, Geology and Soils Resources and Groundwater Resources to the Division of Water Resources for their review. We have gotten comments on the Geology and Soils and Groundwater Resources and have provided those to the Lake Powell Pipeline Management Committee for their review and comments, after which those studies will then go out to the cooperating agencies and to FERC. We had a number of studies to be updated because of the additional alignments around the high point and additional transmission line alignments to bring the electrical power to the various pump stations. Those studies have just recently been completed, and the reports are now coming in in draft form to MWH. We are reviewing internally and will be providing those to the Division of Water Resources as they are completed. There are a couple of studies that involve the Virgin River and the drainage from the Virgin River starting in the St. George area down to Lake Mead. We are completing the hydrologic modeling with the Division of Water Resources that will help define the extent of the potential impacts on threatened and endangered species listed along the Virgin River, the riparian areas along the Virgin River and the surface water resources and water quality as it relates to potential return flows from the Lake Powell Pipeline project. Most of these reports will be ready for submittal to FERC in December. We are just wrapping up the modeling on the Special Status Aquatic Resource, Wetlands and Riparian Resources and Wildlife Resources, which all involve the hydrology on the Virgin River. We expect to have those in December or early January.

Ron Thompson asked how FERC knows where we are at on these studies. Brian Liming said we have actually given them some informal feedback. As soon as we get the hydrology nailed down on the Virgin River, then we will be able to tell FERC this is when we plan to get the report to them. With respect to the Ethnographic Resource Studies, we expect whatever information we have as of February 1 that is what will be included in that report. We have had a recent meeting with the Kaibab Band of Paiute Indians on the reservation on September 30, and we got an update from the University of Arizona then, so that part of the study has been moving forward with the Southern Paiute Advisory Committee. We have had fairly regular contacts with the Pueblo of Zuni Tribe and Hualapai Tribe. In the next month to month and a half, we will be visiting a lot more frequently with them to make sure they know this information is needed by February 1. We will then extract information from the reports and provide generalized information in the executive summary. The primary concern with cultural resources is the confidentiality of the sites. We can provide generalized information about the number of sites per mile without disclosing any particular information about content or actual location of the sites. The oral histories are obtained from the people that are being interviewed, and then they use that information to display and basically analyze what the effect the project might have on the traditional cultural properties that are important to the Native American tribes. Then they will take that information and make a report. In some cases, they will take a report and it will be reviewed by the tribal council and then they will take out what they don't want to have in the report, which may expose parts of their traditional cultural properties or their culture that is important to them that they don't want to share. We will get the summary report that the tribe is comfortable sharing as a final report that will be incorporated into the Ethnographic Studies Report.

Current Alignment and Project Features—Marc Brown said about the only change since the last time we reported is that we requested additional information from Garkane to look at alternatives on power supplies to a couple of the booster pump stations, and we have received that amended report. We asked PacifiCorp to study the Hurricane Cliff pump storage facility and the hydro station 4 alternative, and they concluded that both facilities are compatible within their systems. We have also contracted with Dixie REA to do two studies on the Sand Hollow hydro facility and the Hurricane Cliff peaking facility, and we would expect to be able to report back on their completions early next year.

Report on MWH Activities—Marc Brown said we are waiting for the electrical studies reports to come in, and will be spending the next few months finalizing our engineering reports. Costs to bring power to the facilities are about \$3M to \$4M less than what we initially estimated. In the Cockscomb and monument area, we have booster pump station 4 that is fairly remote to get electrical to, so we are looking at viable options to see how we can eliminate that pump station or supply it with an alternate source of power. We started looking at the monument area and it was obvious we should also be looking at the booster stations going to Cedar Valley, so we met with Questar, and their pipeline goes up the I-15 corridor making it quite easy to get power. With the alignment we have, the gas line can follow the pipeline so the environmental footprint does not change. When the electrical studies are all in, we will then be able to begin the cost comparison on the gas alternative to see which is preferred because that decision needs to be made before submitting to FERC. Brian Liming said June is the earliest that we could submit the preliminary licensing proposal. We are prepared to take what we have as of February 1 and start putting together the Ethnographic Study Report, and whether to give tribes more time or to go ahead is up to FERC. They hold a study report meeting where the public and agencies can come and formally review and provide comments on the studies. They then take the comments and accept comment on the comments about 30 days after that, and then FERC will make a decision if the studies are complete. If they are not complete, we will have to complete the studies that FERC says we have to complete. The public meeting will be FERC's meeting not our meeting.

Financial Report—Eric Millis said the costs to date to be reimbursed through the eventual sale of water are the charges by MWH, the Bureau of Land Management and the Bureau of Reclamation. At its August meeting, the Board of Water Resources, per the Management Committee's recommendation, committed to MWH an additional \$3.4M for completion of MWH's contract because of the requested changes by BLM and other agencies, bringing a total of MWH's contract to \$24.352M. MWH has billed the Division each month and staff has reviewed and approved payment as follows:

Total at last report	\$18,664,003	76.7%
July 2010	\$ 611,759	2.5%
August 2010	\$ 399,831	1.6%
September 2010	\$ 552,204	2.3%
TOTAL:	\$20,227,797	83.1% of the \$24.352M contract

Scott Wilson requested a breakdown by category to see where it all ended up in relation to the total bill, and Marc Brown said he would have it available for the next meeting. **Scott Wilson**

made a motion to approve the finance report that has been submitted, subject to a breakdown at the next meeting, Jim Lemmon seconded the motion and all voted aye.

Next Year's Meeting Schedule—Eric Millis submitted tentative dates for the Management Committee meetings of March 17, July 12 and November 8, 2010, at the Washington County Water Conservancy District office. **Scott Wilson made a motion to accept the dates for the 2011 Management Committee meetings, Mike Noel seconded the motion and all voted aye.**

Other Items—Scott Wilson said he recognizes and appreciates MWH in keeping on track on our behalf.

There being no further business, the meeting was adjourned.

Secretary