

## **MINUTES OF THE LAKE POWELL PIPELINE MANAGEMENT COMMITTEE**

Minutes of a public meeting of the Lake Powell Pipeline Management Committee held on Tuesday, September 18, 2012 at 2:30 p.m. at the State Capitol East Building, Salt Lake City, Utah.

**Committee Members present:** Ronald Thompson (Washington County Water Conservancy District), Dennis Strong (Utah Division of Water Resources), and Michael Noel (Kane County Water Conservancy District).

**Also present:** Harold Sersland (Utah Division of Water Resources Consultant), Brian Liming (MWH), Eric Millis (Utah Division of Water Resources), Roger Pearson (Utah Division of Water Resources), and Barbara Allen (Utah Division of Water Resources).

**Welcome and Introductions**— Dennis Strong welcomed everyone and said there would be time at the end of the meeting for public comment. He excused Jim Lemmon, representing the Utah Board of Water Resources (BWRe).

**Approval of March 15, 2012 Minutes**—Ron Thompson made a motion to approve the minutes of March 15, 2012, Mike Noel seconded the motion, and all voted aye.

Dennis Strong said that since the last committee meeting, a letter from Central Iron County Water Conservancy District withdrawing from project has been received, and they will no longer be represented on the committee.

**Update on Schedule and Current Efforts** — Brian Liming said the Division of Water Resources (DWRe) submitted responses to the comments received from the updated study reports to FERC (Federal Energy Regulatory Commission) on May 16, and responses to comments received from the ethnographic study on June 1. FERC issued its determination on July 9 in letter to DWRe. The ethnographic resources study for the Hopi Indian Tribe is currently in progress; they are visiting sites along the pipeline alignment to record issues and gather input on those resources. Additional field studies performed south of reservation have been needed to accommodate the resurvey of the reservation boundary fence and new land purchased by the Kaibab Paiute Indians. The cultural resources, special status plant species, vegetation communities, and special status wildlife studies are being done. The water needs assessment is due to be updated and will include final population projections from the Governor's Office of Planning and Budget (GOPB) and account for the Bureau of Reclamation (Reclamation) Colorado River water supply and advance study, which includes climate change models and is expected to be completed in November, 2012. Reclamation did modeling using the CRSS (Colorado River Systems Supply) model, which looked at Lake Powell levels; they also did water quality and power generation modeling; all those models will be updated to reflect the results of the basin study and will be incorporated in final study reports. The socio-economic study report will be updated with the final GOPB population projections and Reclamation's power generation model results. The land use study report will also be updated with the analyses

that are dependent on final GOPB population projections; it deals primarily with the range of densities that occur in the areas that receive the water from the pipeline project.

The climate change study report will be updated to incorporate the results of Reclamation's basin study report and the ethnographic study report and supporting reports will be updated to incorporate the natural gas supply lines and generators, which were not previously included. The draft biological assessment has been in preparation, but was put on hold until other reports were finished; that will be picked back up and completed for submittal to the Fish & Wildlife Service and their comments. The final study reports will incorporate responses to comments received on the draft study reports from both sessions of public comments. The preliminary license filing date has been moved to April 2013, as the final GOPB 2012 population projections are needed. The water needs assessment update will incorporate those projections as well. The Reclamation CRSS modeling updates for hydrology and water quality have not been submitted, nor the Division's Virgin River data simulation model update.

There will be public comment on the preliminary licensing proposal from May through July; the earliest filing date for the licensing application is 150 days after the preliminary license proposal is filed, so the earliest filing date would be in September 2013. Along with that date is the filing for submittal of applications for Right-of-Way to the Bureau of Land Management and Park Service, along with the water service contract with Reclamation.

Ron Thompson asked if climate change figures have been incorporated into the water supply study and water needs assessment from Reclamation? Brian said that is correct; Reclamation will be doing that modeling consistent with their final model on the basin study, and the report will be published in November of this year. Updates to Colorado River system stimulation model for the Lake Powell Pipeline are expected to be completed in the November- December 2012 time frame, and they will be incorporated into the Division of Water Resources study report and will update the climate change report results from the Upper and Lower Basins studies.

Dennis Strong asked if the power analysis is affected by climate change? Brian said it does not have a direct effect. Reclamation is anticipating a slightly lower water level in Lake Powell and a slightly lower release from the dam, down to 15 million acre-feet annually. Previous operations were looking at 17-18 million acre-feet. Lower levels will mean less head on the turbines at Glen Canyon, which means lower power production. That needs to be put into the economic analysis in the socio-economic study report, which is part of overall picture of benefits and costs of the project. Mr. Strong commented that it was interesting that the power portion will be even more complicated when looking at long-term operation and management plan for the dam. The quantity of water released will not change a whole lot, because of downstream obligations, but it will be delivered differently.

**Update on Population Projections** - Ron Thompson said the draft estimate of future population growth is out, and Washington County has met with GOPB to discuss the modeling efforts. There are lots of different models out there and some are more useful than others. GOPB says they are having a lot of trouble modeling Washington County. They may not have received a lot of the data the cities have that should have been used in the model. The method used was to take the last five years as the norm, which forces the model to underestimate short-term growth and

probably long term grown as well. GOPB says they will get additional data and see where that goes. Washington County hired an independent consultant to also look at it.

Mr. Strong said the message is that the numbers that have been presented have come out as draft. GOPB is working with the state and counties to make sure they have the best estimate possible and the best projections. Final numbers won't be seen for many days yet, even weeks. It's a process, and GOPB is doing the best they can to get it right.

**Financial Report**—Eric Millis presented a memo regarding project expenses. Since the last meeting, bills have been received from MWH, Americas as follows:

Total at last report	\$ 23,858,155	
March 2012	\$ 128,516	0.5%
April 2012	\$ 96,026	0.4%
May 2012	\$ 81,399	0.3%
June 2012	\$ 90,185	0.3%
July 2012	\$ 42,109	0.1%
August 2012	\$ <u>51,731</u>	0.2%
 TOTAL:	 \$24,348,121	 89.0% of the \$27.352M contract

He said additional studies have been needed because of the resurvey of the boundaries of the Kaibab Paiute reservation and other things, and the BWRc has committed an additional \$3 million to finish up the work for the license application with FERC. The total contract amount is now 27.352 M. **Mike Noel made a motion to approve the amounts as presented; Ron Thompson seconded the motion and it passed unanimously.**

### **Other Items**

**Next Meeting** - The next meeting will be held March 21 at 11:00 a.m. at the Washington County WCD offices in St. George in conjunction with Water Users Workshop.

### **Public Comment**

LeAnn Skrzynski, Kaibab Paiute Tribe, asked for clarification on filing for an extension for the application on the license to FERC. Mr. Strong said they have not filed an extension, they are still working with FERC to meet the requirements in order to file.

Christi Wedig, Citizens for Dixie's Future, asked if Iron County dropping out of the project will be included in socio-economic study and the updates as far as the actual cost to the individual counties? Mr. Strong said yes, all the reports will describe the project as it is proposed to be constructed; a number of changes will have to be made because population projections are affecting a lot of the reports. Ms. Wedig asked if that would impact the Lake Powell Pipeline Act where 70% of the water was dedicated Washington County? Mr. Strong said the Act says the amount of water is identified from the portion of the BWRc water right, and additional water

can be provided as obtained. The BWRe right has not changed, and the Act covers the eventuality of where it might be used.

Paul Van Dam asked if it was the committee's obligation to indicate how this is going to be paid for by Washington and Kane counties? Mr. Strong said the statute says the money has to be repaid; the statute was also clear that the project could not proceed until 70% of the water had been sold, and then it is to return to the Legislature to determine if and how it would be funded. At the creation of the Act it was identified as state project; implicit in that is that state funds will be used, but they can only go a certain distance before they have to return to the Legislature. That process started with Representative Painter had a task force created to report to the 2012 Legislature on possible funding options, and that is now being discussed by the state Water Development Commission. Rep. Painter will put forth a bill in the next session to talk about funding large water projects. This is a dynamic process; it is clear the Legislature has funded our activities to date but has said not to go past a certain point with this until we return and report we have 70% of the water sold, have identified costs, etc. The districts will decide if they want to proceed and can pay for the water. At this point they think it's a good project and it's affordable. Mr. Thompson said they will get the money back over time using impact fees, and as the project gets closer it will be possible to get better figures on the actual cost. Mike Noel said past performance is a good determiner of what's going to happen in the future. Look at the county and the tremendous growth experienced since 1980. Look what they have accomplished - they've been able to handle improvements, keep water costs low, and provide water when you turn on your tap. He hopes there is a little bit of confidence in what Mr. Thompson has accomplished these last 30 to 40 years.

Lisa Rutherford, Ivins, said when you look at water numbers from the water needs assessment, there is a potential of 123,000 acre-feet. If Albuquerque usage numbers are equated into that it would support 750,000 people; even with higher usage it would support 600,000 people and that is not really that much of a stretch. She questioned the population numbers projected by the GOPB. Mr. Thompson said they did the best they could with the limited data they were given. They project now less than 2% growth in Washington County, yet there will be considerably higher growth than that in 2012. Ms. Rutherford said she appreciated the work done up to this point and water that is available; however, this is a new effort and although inroads have been made in conservation, usage is still excessive in other areas like commercial, industrial, and institutional. She said we are still wasting water.

There being no further business, the meeting was adjourned.

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Secretary