

MINUTES OF THE LAKE POWELL PIPELINE MANAGEMENT COMMITTEE

Minutes of a public meeting of the Lake Powell Pipeline Management Committee, held on Tuesday, January 13, 2009, at 10:00 a.m. at 136 North 100 East, St. George, Utah.

Board Members present: Dennis Strong (Division of Water Resources), Harold Shirley (Board of Water Resources), Scott Wilson (CICWCD), Ron Thompson (WCWCD), and Mike Noel (KCWCD).

Also present: Eric Millis (Division of Water Resources), D. Larry Anderson (Water Resources Consultant), Harold Sersland (Water Resources Consultant), Lisa Rutherford (Citizens for Dixie's Future), Paul Van Dam (Citizens for Dixie's Future), LeAnn Skrzyński (Kaibab Paiute Tribe), Paul Blanchard (Northwest Pipe), Barbara Hjelle (WCWCD), Corey Cram (WCWCD), and Tina Esplin (WCWCD).

Welcome and introductions—Dennis welcomed those present and conducted the meeting.

Approval of Minutes—Minutes of the last meeting were reviewed. **Ron Thompson moved to approve the minutes of November 4, 2008, Scott Wilson seconded the motion, and all voted aye.**

Update on Study Plans—Harold said that the revised study plans went out on December 19 and comments were due back to FERC on January 5. So far the list of respondents that commented has been the Lake Powell Pipeline Coalition, Fish and Wildlife, National Park Service, Page Electric, Kaibab Indian Tribe, and a private individual from Kane County. It appears so far that there doesn't seem to be any obvious issues creating intervention, but we will not know until after the 19th of January when FERC puts out notice of things that should be added to the study plans. The Kaibab Indians have signed to be a cooperating agency and an intervener with FERC to keep their feet in both camps. FERC said they had to be one or the other, so a response is due from the tribe in terms of which camp they are going to end up in. There is a process if someone claims to be an intervener, of having 90 days to come up with a decision as to whether their recommendation should be in the study or out. FERC has to rule yes they agree, or no they don't and they are not going to change the study plan. They can then do it in the NEPA compliance process. The final EIS can be challenged. Dennis said it used to be that designation as an intervener meant an actual place at the table and it got you all of the documents that were filed and you actually got notice and knew what was going on. It was just done by people that were interested in the process. He is not sure if that has changed. Harold said that as an intervener, you have to be in the process all along. FERC's process doesn't allow interveners to come forth at the end of the process. The next event is the 19th or probably later that week when FERC will issue the study plan. FERC hasn't gotten a response on revised plans, and we went to the Bureau and the big issues are under this NEPA process. We have to look at the impacts of the withdrawal of 100,000 acre feet of water out of Lake Powell and the effects on Glen Canyon dam. We asked the Bureau to do modeling studies, and the studies showed essentially no effect.

Basically, the Bureau is fine, but they would not write a letter to that effect. The Bureau didn't comment, and the Bureau's lead called Larry Anderson. She said Fargo is calling her asking about the Bureau's comments, so FERC is getting feedback that there is no change in the operation. At the end of the conversation, she said that they don't have a very big dog in this fight. Larry said she has been contacted by Louis Berger, consultant to FERC, to help them prepare that letter. Harold said Fargo has been talking to her, so they are getting feedback from the Bureau of Reclamation's perspective on Glen Canyon. If we disagree with FERC's recommendations, we can contact FERC and raise the issues but there is no formal process for it.

Update on Power Sources and Transmission—Larry said we met with the power companies involved, Deseret, Garkane, Page Electric, UAMPS, Utah Power and Light, St. George Power, to give them a briefing on the project. Larry met with Mark yesterday, and he said the assumptions we are making as we move forward with the project have all been put in the documents they submitted to FERC. An area-wide study is being proposed on what needs to be done, either by upgrade or by bringing new lines in to meet power. Ron said just as a report, through his meeting with UAMPS, they have a bunch of capacity in Page if we want to wholesale it to ourselves. He thinks that we have to get someone in this team that understands this system and how it works, and thinks Larry, either under MWH or as project manager, should make contact and analyze. Larry said he would do it.

Update on MWH Activities—Larry said they are in the process of optimizing the hydropower facilities, hydro people are looking at the flow rates at different small in-line sites, and deciding if one or two turbines are needed. He asked if Ron had the permit for the Hurricane Cliffs technical work. Ron said not yet. We have met with BLM and hired an archeologist to survey the sites. Ron thinks he is done with the after bay, but is not sure if he has done the forebay. This is really the biggest issue in getting the preliminary permit. Ron talked to Brad several times, and he has reservations which merit serious discussion. We need to finish core drilling. Larry said they are just coordinating with Brad on that, and then they are preparing the civil plan for the pipeline and pump station. They need to make sure the pump stations are in the right locations. There has been some objection to putting pump station two at Three Pigs by Big Water, so they should be looking at an alternate location. They are trying to make sure the storage tanks are in the right location and properly sized. Ron said our own pump stations run 24-7. Because of variable speeds, we can do that. Larry said another thing we need to think about is the final end when it is operating. Initially, we are going to start with two or three pumps and then add as time goes on. Ron said the other concern is if we are going to phase in our pumping capacity, we are going to have to evaluate the impact on those hydroplants. It is hard to find a turbine that has enough range. Larry said they are looking at the need to have a couple of turbines. Ron said it would be nice as a committee to invite turbine manufacturers to look at it because they have the expertise. Larry said that as soon as they get final word back from FERC, they will move ahead on the environmental studies. Ron said once FERC comes back, we ought to have meetings to go over with engineers and have serious discussion on how they are going to approach those issues. Larry said we have been working closely with consultants. We still need to get rights-of-way and so forth. We know what needs to be done and will need to see what FERC thinks has to be done. Ron said there is a lot of private property on the southern alignment, and we ought to meet with the property owners and get their consent and Corey can help with that.

Eric said they have been having discussions with the Kaibab Tribe. Tomorrow they are going to meet with their council to review a draft agreement regarding completing study plans on tribal lands. They have also been in contact with the Arizona State Lands Department to access their lands. Dennis said it seems to him that there are no down stream impacts and any impacts are impossible to measure. We will look at temperature and water quality at the dam, so he is optimistic that we are pretty well situated as we work through the process. Larry said the Bureau has said that they will have the ability to incorporate climate change into one of their models sometime in February. What we have had them model is the tree ring analysis which has some serious drought situations through it as we look through this project. The Bureau feels pretty comfortable with that. Harold said our climate change study outline in the revised study plan deals with the Virgin River not just the Colorado River. Ron said a lot of those models move the desert conditions further north.

Approval of Project Expenditures—Eric went over the expenses memo that described the amount that MWH has billed for the last two months including amounts paid out and approved previously by the committee and said the December bill should be here any day. The Expense Memo is 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	\$4,997,431	88.8%
October 2008	\$ 342,703	6.1%
November 2008	<u>\$ 239,920</u>	<u>4.3%</u>

Total: \$5,580,054 99.2% of the \$5.626 M contract

Ron made a motion to authorize and ratify the expenses for October and November and the \$4,997,431, Scott seconded the motion and all voted aye. Scott said that Larry has been talking of a way to present the budget from here forward. They have nine budget items and a budget for each of those items. They are working on putting something together that would show what they are working on and we have been negotiating back and forth. Larry said that when they submitted their contract, they had a preliminary budget on each of their items. Scott said that from the original contract, there have been new alternatives and new issues. Larry said they are all there. They may want to get a letter back from FERC before they finalize. They would be willing to come back and explain the process. Ron said the agreement was that they would not spend any money on study plans until they come back and went over with the committee. Larry said they are working on getting answers for what you are asking and should have before the next meeting.

Other Items—Mike said that funding is really critical at the state this year. The numbers given to all departments is that they cut their budget 7½ percent and that 3,300 full-time positions statewide will be cut.

Harold said there is not much left of the Flaming Gorge water right to be distributed to other potential water users. There is around 86,000 af overall. We got 13,249 af committed for the pipeline to serve Central Iron County and may have less if FERC cuts us back. The action was to reserve the water right for the Board for the project. If there was any water not proved upon by December 31, that water would go back to the Board for the Lake Powell pipeline, but he believes that amount will be zero.

Next Meeting—The next meeting will be on March 17 at 10:00 a.m. at the Washington County Water Conservancy District office.

There was no further business and the meeting was adjourned.

Secretary