

MINUTES OF THE LAKE POWELL PIPELINE MANAGEMENT COMMITTEE

Minutes of a public meeting of the Lake Powell Pipeline Management Committee held on Wednesday, March 20, 2014 at 1:00 p.m. at St. George, Utah.

Committee Members present: Jim Lemmon (Utah Division of Water Resources), Eric Millis (Utah Division of Water Resources), Mike Noel (Kane County Water Conservation District) and Ronald Thompson (Washington County Water Conservancy District).

Also present: Brian Liming (MWH), Bill Leeflang (Utah Division of Water Resources), Joel Williams (Utah Division of Water Resources), Barbara Hjelle (Washington County Water Conservancy District), Dirk Clayson (Kane County Water Conservancy District/Kane County Commissioner), LeAnn Skrzyński (Citizens for Dixie's Future), Jeffrey Allen, Barbara Bergman, Tom Jacobs (Brown and Caldwell, David Demille (*The Spectrum*), Lisa Rutherford, Paul Van Dam, Judie Brailsford (Alpha Communications), Karry Rathje (Washington County Water Conservancy District, Corey Cram (Washington County Water Conservancy District) and Tina Esplin (Washington County Water Conservancy District).

Welcome and Introductions — Eric Millis introduced himself as the new director of the Utah Division of Water Resources and as such is now the chairman of the Lake Powell Pipeline Management Committee. He welcomed those present and conducted the meeting.

Approval of September 12, 2013 Minutes — Ron Thompson made a motion to approve the minutes of September 12, 2013, Jim Lemmon seconded the motion and all voted aye.

Project Status -- Permitting Process — Brian Liming reported on the status of the Lake Powell pipeline (LPP) project permitting process:

- The first item is the Preliminary Licensing Proposal (PLP) progress. We have drafted and completed Chapter 1, (the Introduction), Chapter 2 (the Purpose of Action, Need for Action, Statutory and Regulatory Requirements) and Chapter 3 (Proposed Action and Alternatives) is mostly complete. We are continuing to incorporate objectives from the Bureau of Land Management (BLM) Resource Management Plans (RMPs) and the Monument Management Plan (MMP). Chapter 4 (Pre-Filing Consultation Summary) is the process we won't be able to finish until we get the rest of the PLP complete. Chapter 5 (Draft Environmental Analysis) is the Draft in Process and basically takes the 22 Resource sections that are derived from the Study Reports and each resource section has an Affected Environment, Environmental Effects, Protection Mitigation & Enhancement Measures, Cumulative Effects, Unavoidable Adverse Effects and then References specific to that resource analysis. That is the last chapter and then there are appendices. The final Study Reports are the documents that are the basis for much of the environmental information in chapter 5, so these final Study Reports are being finalized with the comments that we've received on the Draft Study Reports from the initial Study Report meetings and subsequent meetings with the agencies. Then the Bureau of Reclamation (Reclamation) is preparing revisions with the Colorado River Storage

System (CRSS) Model based on the information they have developed for the levels in Lake Powell and releases from Glen Canyon Dam and with their recent modelling of the climate change in the Upper Colorado River Basin, they have incorporated those types of changes into the CRSS Model. They have recently done a Virgin River Climate Change Model that is also being incorporated into the CRSS Model.

- The PLP critical path is the Cultural Resources Class III Report. There have been a number of revisions that we have been making in concert with the BLM's requests on the prehistoric context for the sites that will be eligible for the National Register of Historic Places. Once the Bureau of Indian Affairs (BIA) and the tribes involved in the project review and comment on that, we will be incorporating the comments and the full Draft Class III Report will be submitted to the Utah and Arizona State Historic Preservation Offices (SHPOs) for their review and comment, and then we will incorporate the comments and will then be in a position to file the final Class III Report with Federal Energy Regulatory Commission (FERC) and the SHPOs.
- Water Needs Assessment update incorporates the Utah Governor's Office of Planning and Budget (GOPB) 2012 population projections, the 25% reduction in water use by 2025, the climate change projections for Virgin River basin performed by Reclamation, the current and projected water use, the supply and demand data, agricultural conversion data and projections, the Division of Water Resource's (Division) Virgin River model updates, and the water demand and supply curve adjustments that demonstrate when the water would be needed.
- Water Conservation update is being updated with input from Washington County Water Conservancy District (WCWCD) and Kane County Water Conservancy District (KCWCD), and those results will be incorporated into the Water Needs Assessment update report.
- UDWR, Reclamation and MWH are continuing to work together on remaining modeling and data analyses for use in updating the Water Needs Assessment, Water Conservation update, and some of that feeds into the Preliminary Draft Biological Assessment.
- Results of the Virgin River climate change modeling are being used to update the Virgin River simulation model and the demand/supply curve for transfer to Reclamation for their modeling of revisions of the CRSS to determine what the project impacts of Lake Powell levels and Glen Canyon Dam releases, water quality changes that could occur and power generation changes as a result of the diversion of the Lake Powell water.
- Final Study Reports will incorporate all of these analyses.
- Draft Class III Cultural Resources Study Report has been revised to incorporate BLM requests for additional prehistoric context to aid in the National Register Historic Places (NRHP) eligibility determinations that revised Class III Report will be distributed as a non-public document to archaeologists with federal and state agencies and Indian tribes

and nations for their review and comment. It contains sensitive information that is not appropriate to release to the public.

- The Hopi Indian Tribe Ethnographic Study is now completed and will be filed with FERC as a non-public document.
- In June and July 2014, mitigation meetings are planned with reviewing agencies and Indian tribes/nations on the draft Historic Properties and Management Plan (HPMP). These are the mitigation measures that will be incorporated into that draft plan.
- Preliminary draft HPMP will be submitted to Utah and Arizona SHPOs for their review and comment.
- Preliminary Draft PLP will be provided to the Federal cooperating agencies (BLM, NPS, and Reclamation) for their review, comment and concurrence with the Utah Division of Wildlife Resources (UDWR) proposed mitigation measures and environmental protection.
- We will incorporate those review comments into the PLP, and the PLP will then be filed with FERC for agency, tribal and public review.
- We are anticipating the PLP will be filed with FERC for agency, tribal and public review in the fall of 2014, along with the draft HPMP and the final Class III Report, all other final Study Reports, and the preliminary draft biological assessment.
- The review and comment period on the PLP is 90 days for the agencies, public and tribes.
- Comments received on the PLP will be addressed during preparation of the License Application.
- The License Application will be filed with FERC at least a minimum of 150 days after filing the PLP under the FERC Integrated Licensing Process (ILP) regulations, which is projected to be filed with FERC in the spring of 2015.

Eric Millis asked Brian Liming how many tribes he is expecting to consult with on the mitigation plan. Brian Liming commented, "We are in active discussions with 9 different tribal entities. There were originally 26 tribes and/or nations that were consulted by FERC and informally contacted by our team. FERC is the lead agency, and they hold the responsibility for those government-to-government consultations, and the BLM is the Department of Interior's designated lead for their government-to-government consultation with the tribes and/or nations."

Eric Millis asked if there are public meetings associated with the release of the PLP or is that draft just made available to the agencies and public and they comment back. Brian Liming stated, "Once the PLP is filed with FERC, it is a public available document. We don't have any scheduled public meetings per se. We understand that the BLM will be likely hold some public

information meetings during that process to keep more information out in the public. We may attend those meetings, but they will be sponsored by the BLM.”

Financial Report — Bill Leeflang said, “During the last 6-7 years, we have spent \$25,825,430, which is about 94.4% of the \$27,352,000 contract for expenditures through the federal agencies as well as consulting services offered by MWH.” He presented a Memorandum showing the amounts MWH has billed the Division as follows:

Total at last report	\$23,348,807	92.7%
August 2013	\$ 55,216	0.2%
September 2013	\$ 87,087	0.3%
October 2013	\$ 90,269	0.3%
November 2013	\$ 70,668	0.3%
December 2013	\$ 57,098	0.2%
January 2014	\$ 42,660	0.2%
February 2014	\$ 73,625	0.3%
TOTAL:	\$25,825,430	94.4% of the \$27,352,000 contract

Eric Millis said, “The staff has reviewed each billing for accuracy and made payment.” **Jim Lemmon made a motion that the Management Committee ratify the financial report given by Bill Leeflang, Mike Noel seconded the motion and all voted aye.**

Ron Thompson said, “On average, we are spending probably \$75,000 a month in consulting service under this contract. Is that what we expect to see over the next several months?” Eric Millis said, “There will be some additional costs as MWH prepares the PLP and License Application, and there will be additional expenses from BLM as they review these things.” Brian Liming said, “As we move towards getting the Class III Report comments incorporated, the final Study Report still needs to be finalized, so we will see an increase in the monthly billing.”

Public Education Items – Judie Brailsford stated, “Following the last CIRPAC meeting, we established the Wise Water Use Conservation Workgroup consisting of a representative from six cities that understands how their city’s systems work, and four individuals from the CIRPAC group. We have had two meetings, and they have discussed their vision of what they would like to see occur in terms of wise water use and have developed goals and objectives. Next, they will be meeting with Mr. Maddaus, looking at the measures that have been used over last four years that have been successful, how much water has been saved, and new technologies and avenues that we can use moving forward so we can reach the 2025 goal and beyond.”

Other Items – Eric Millis invited members of the public to ask questions and/or give comments. LeAnn Skrzynski said, “The Preliminary License we are now talking about submitting in the fall of 2014, I was under the impression that you had a FERC license that only ran through the end of May so how is that going to be extended?” Eric Millis said, “We have a Preliminary Permit that is in place right now, and so we are filing for an extension of that for additional time that we need to continue our process. We have had a lot of things that have pushed us back, and we held

up a little bit for the population projections to come out; but looking at growth that is occurring now, we feel like the project may be needed sooner than we had expected so we are getting information together and think we are on schedule.”

Lisa Rutherford said, “On the population numbers, the Boyle report the water district had done back in the 1990s had a low, medium and high, and we are really on track with the governor’s new projections so I am just curious why that Boyle report is being discounted.” Eric Millis said, “The Boyle report is quite old and governor’s office has put out several projections since that time. We have had really high projections, and it looked like 2020 was when the project would be needed, and then things slowed down. We actually pushed the governor’s office to get the most recent set of projections and they were based on the recession. There will be another set of projections before the project is built, so right now we are trying to stay ahead of the game.” Lisa Rutherford said, “However, right now you are in line with the Boyle report.” Eric Millis said, “If the recession hadn’t happened, we might have matched the projections of the governor’s office prior to the one we have now.” Ron Thompson said, “Just to give you a little background, if you look at all the GOPB forecasts prior to Boyle, the forecasts were under estimated by a long ways especially in Washington County, so we looked at the GOPB figures, historic numbers in other communities in the southwest, and the high and the low. Boyles has good figures in it, but it doesn’t change the fact that where the Division of Water Resources is a state agency driving this, we are required to use GOPB figures by state policy.”

Mike Noel said, “Our part of the state is one of the driest parts of the entire state of Utah. We are in an extreme drought, yet the projections based on 1981-2010 estimate 116% of average flows into Lake Powell. We are going to get 116% of water that we can access through this pipeline and 20 million acre feet (af) of water when full, and yet we are sitting here dry. That is one of the main reasons we are looking at this pipeline as a backup supply.”

Lisa Rutherford stated, “On the Water Needs Assessment, I don’t remember seeing the 60,000 af of Ag water that comes into Washington County included in those reports as Ag conversion. Is there somewhere in that report where the 60,000 af of Ag water is actually documented?” Ron Thompson said, “Some of that is in there, but the problem is you are talking about the 1890s water rights held by the water companies. The upper river water is easy to convert and we have in our models to convert to secondary or municipal; but the water that comes to the Washington Fields is so heavily polluted that it would be very difficult to convert. We are doing a lot of work trying to figure out what we can do to convert that water to outdoor use.” Lisa Rutherford said, “The reason I asked is because the Western Resources Local Waters Alternative talked about converting 30,000 af and Boyles talked about converting 40,000 af of Ag water, but they do have their qualifiers.” Mike Noel said, “There are more qualifiers. There are policy decisions of the state of Utah. Are we going to convert all Ag water to municipal use? That Ag water has great value in the state for agriculture and for open space and for other things we depend on so that is a big policy decision. And, 85% of water in the state is Ag use. Agriculture is over a \$15 billion dollar industry and very important to the state. We are looking at that right now, but there is really no mechanism in place to reward Ag users to become more efficient. If we become more efficient in Ag water uses, can we convert that water to municipal use? At some point in the future, some farmers or their children will sell that water, but there are some farmers that will never sell that water.” Ron Thompson said, “The problem I am concerned about is in most

stream situations the true depletion is the evapotranspiration (ET) of the plants, so whether you do it with flood or drip or sprinklers, the plant uses x amount of water. Everything else either evaporates or recharges or returns to the spring which then becomes the next guy down stream's primary water right. So if a person becomes more efficient and thinks they can take that same cubic feet per second they are putting back into the river, that is going to be a big problem. The public policy question is how you encourage Ag to be more efficient so you reduce the evaporation component and perhaps the groundwater recharge component, but you still need to recharge the aquifers and you still need a return flow. You have to be careful because you can disrupt whole water systems." Mike Noel said, "Each basin is a different situation, and there has to be an incentive for farmers to conserve."

Lisa Rutherford said, "You also mentioned "self-supply industry water." Is that all included in the water needs assessment numbers?" Ron Thompson said, "There isn't a lot in the lower end of the county. Once you move below the Navajo sandstone, the water is pretty much dominated by municipal." Eric Millis said, "Private individual wells are private, and we don't have that information, but the number is low." Mike Noel said individual wells or smaller water companies don't keep records, are mostly indoor use only and seasonal. Depletion of that water is not very high at all. Probably 90% goes back into the aquifer, so it is not a huge amount of water. People in Kane County are converting quite rapidly from individual wells because wells are expensive to operate." Ron said, "Washington County water is tied to geology, and once you get down past the Navajo aquifer the ground water gets very brackish and unusable for culinary."

Next Meeting—Next meeting is tentatively scheduled for the afternoon of September 9, 2014.

Adjournment—**Jim Lemmon moved to adjourn, Mike Noel seconded the motion and all voted aye.**

There being no further business, the meeting was adjourned.

Secretary