



Our Water. Our Future. Our Choice.

The purposes of the District include planning for and facilitating the long-term conservation, development, protection, distribution, management and stabilization of water rights and water supplies for domestic, irrigation, power, manufacturing, municipal, recreational and other beneficial uses, including the natural stream environment, in a cost-effective way to meet the needs of the residents and growing population of Cache County.

www.cachewaterdistrict.com

CACHE WATER DISTRICT BOARD OF TRUSTEES MEETING MINUTES September 14, 2020

The Cache Water District Board of Trustees convened for a regular meeting on September 14, 2020, via electronic format due to COVID-19 meeting restrictions.

MEMBERS OF THE BOARD IN ATTENDANCE:

Jonathan W. Hardman – South Council District
Max Pierce – North Council District
Kirt Lindley – At-Large Position
Jeannie F. Simmonds – Logan #1 Council District
Scott Clark - Logan #2 Council District
David Erickson – At-Large Position
Jared Clawson – At-Large Position
Bret Randall – Northeast Council District
Don Baldwin – Agricultural Representative
Herm Olsen – Logan #3 Council District

MEMBERS OF THE BOARD ABSENT:

Shaun Dustin – Southeast Council District

OTHERS IN ATTENDANCE:

Nathan Daug (Manager), Emma Feuz, Ann Neville, Eric Franson, Quinn Dance, Chad Brown, Chris Slater, Mike Wilson, Keith Shaw, Emily Lewis, Debbie Zilles

CALL TO ORDER

The meeting was called to order by Chairman Hardman at 5:30 p.m.
Consideration for the minutes from August 3, 2020, and agenda for September 14, 2020.

ACTION: Motion by Mr. Olsen to approve the agenda and the minutes as submitted. Seconded by Mr. Clawson. The motion was approved unanimously.

PUBLIC COMMENT

Ann Neville recommended that members review the Great Salt Lake Advisory Committee Report and determine whether the numbers and recommendations are adequate. The H.C.R 10 report should be coming out in October.

Ms. Simmonds noted a Sept. 8 opinion article in the Salt Lake Tribune newspaper (Water Markets Can Rescue the Great Salt Lake) by Hannah Downey, Policy Director at Environment Research Center in Bozeman, Montana.

FINANCIAL REPORT

(Attachment 1)

Ms. Simmonds noted that Salary/Benefits shows 95% expended, this is due to catch up payments into the Utah Retirement System.

Chairman Hardman asked Ms. Simmonds to follow-up with vehicle options for the Board to consider (Action Item).

Mr. Daugs pointed out that there will be a reimbursement from the Wellsville-Mendon grant coming in from Mendon City.

The conservation budget shows over budget because of payments to the Slow the Flow program.

CALENDAR EVENTS

Tentative Board Fall Social dates are September 25 or 26, or October 9 or 10. Mr. Daugs asked members to send him their choices, after which, he will schedule it. It will be an evening event outdoors at his home.

The Rural Water Association fall conference is still scheduled for the week of October 5-9 in Layton. The plan is to have in-person sessions, but that will be determined closer to time. October 6-7 are the main sessions for the general public.

MANAGER'S REPORT

Summer Water Check Program

Emma Feuz finished out the season for the water check program. 70 checks were done this season (doubled from last year). They were able to do homes, apartments and HOAs. There was a home that was using culinary water on 4 acres and spending approximately \$1,000/month; the program helped the owner cut down on watering. Information was sent out in Smithfield City's water bill, so most checks were done there. She recommended focusing on advertising and getting the word out for next season.

Mr. Daugs said next season the program might be able to partner with Kelly Cope and the Center for Water-Efficient Landscaping (CWEL) program at USU. He asked if there were

any churches involved this season. Emma said there was one church, which was using quite a bit of water.

Emma answered for Chairman Hardman that about 70% of the checks found over watering and that the overall response was well-received.

Mr. Daus said they will follow-up with people involved in the program to see what the overall savings has been. Ms. Simmonds said that is an important component to prove that the program is creating a reduction in water use.

Mr. Randall said there should be more aggressive public relations and advertising before next season (possibly some radio ads) to help promote the program. He also noted that his experience has been that LDS churches are some of the top water users.

Mr. Erickson said it might be helpful to reach out to the local cities. Chairman Hardman said a presentation at the Mayor's Association might also be helpful. Mr. Olsen noted that Cache Community Connections would also be a good group to inform about the program.

Update on PL 566 Applications

Wellsville-Mendon – still waiting to hear back from the national office. Chairman Hardman said this project would like a letter of support from the CWD related to taking fee title to the canal, which would help expedite the project. Currently it is a bureau canal and the Wellsville-Mendon Conservation District is moving to privatize (getting clear title to) the canal in order to be able to accept federal funding to help with improvements.

ACTION: Motion by Mr. Randall to approve the Board to submit a letter of support as discussed. Seconded by Mr. Erickson. The motion was approved 10-0.

Aye: Baldwin, Clark, Clawson, Erickson, Hardman, Lindley, Olsen, Pierce, Randall, Simmonds

Absent: Dustin

Crockett – RFQ was sent out and one submittal has been received. The Board Advisory Group will meet next week and determine whether to accept the submittal. The contract with NRCS has been finalized, the next step is to move forward with the environmental evaluation process that will take approximately 18 months to complete. In theory, construction of the project will begin in two (2) years.

USU Engineering Study

Mr. Daus said a group of engineering students have offered to work on a project related to possible dam sites in the Bear River development for the next 9 months. They will be working with faculty members (hydrologists and geologists) about feasible small dam sites. Mr. Randall asked what would be considered "small". Mr. Daus said it would be between 5,000-10,000 acre-feet of storage. Ms. Simmonds said this is a good academic exercise which can provide valuable information to the District. Mr. Erickson said USU has done other projects for the County. Mr. Daus will be meeting with them weekly and providing progress reports to the Board.

Water Banking

Mr. Daugs will keep the Board posted as this moves forward. He will be meeting with the Paradise/Avon Canal President Jason Summers. He will also be following up with the Highline Canal. Mr. Clawson said to also talk with Hyrum Irrigation.

WATER BANKING - QUESTIONS/FOLLOW-UP

Emily Lewis, the project coordinator for the State water banking effort, was present to answer any follow-up questions from the presentation given last meeting. She reviewed that the water banking effort has been going on for the past three years. The objective is to create a forum/marketplace for water where it is either not occurring or where it can be improved upon. The goal of the statute is to create water banks that are local, voluntary and temporary and to be able to facilitate temporary transfers of water. The value of the water right should remain with the owner. This will involve the leasing of water rather than the sale of water and will help meet local needs. The reason for a statute is to make it easier for water users. Presently it is difficult and onerous to make any changes, this will create a more streamlined process. There is currently a lot of water in transition and this will help provide exemptions from the forfeiture rule and encourage more creative uses. This will also allow any water in a bank to be able to be used for multiple purposes (including instream flows for environmental and water quality consideration). Quite a bit of pre-development work has been done with local water users to identify needs and how this will address those needs. The state has \$800,000 to use for three demonstration projects, one of which will be in Cache Valley. They would like to begin identifying possible sites.

Mr. Baldwin said many irrigation companies own the decree and shares are the right to use the water. The company has the right to determine if the water going into the bank is feasible, he asked how this issue would be handled. Ms. Lewis said this is a common question, the aim of doing the pre-development work is to try to get everyone on the same page and how they would like to participate. Any company's shares that want to be put into a bank, either through the individual shareholder or broader company action, still need to go through the change application process. The company will still maintain the ultimate say in how the water is used.

Mr. Erickson said the service area can be very specific; he asked if there were some flexibility for expansion within a service area. Ms. Lewis said there are company service areas that are there for adjudication purposes. The water bank service area will likely be larger than a company's service area. The goal is to allow multiple companies to work together to have a larger lease pool, or if there is a municipality that wants to join a bank service area they could do so. The purpose of having a bank service area is to allow the state engineer to assess whether the water right that wants to be put into the bank can be physically distributed in that service area.

Mr. Erickson had questions about some of the notes shared by Mr. Clark about water banking. Mr. Clark clarified that those notes were from the APO discussion group. Mr. Erickson said the notes talked about only an affiliation with cities/municipalities. Mr. Clark said his notes related to a broader spectrum and were integrated with discussions about purchasing water rights. Ms. Lewis said the law is designed for municipalities to purchase

water to meet their most critical projected demand. Under the statute, there are two different types of banks. A statutory bank is intended to be similar to a private irrigation company (board, articles of bylaws, etc.) and a municipality could participate as a regular bank member. The other model is a contract bank intended for situations where there are multiple parties who want to be involved, however, to be a contract bank the applicant must be a public entity so that speculators could not come in and take advantage of the forfeiture benefits.

Mr. Baldwin said one of the fears the agricultural community has is that if water leaves their control or is not in their geographical service area defined by their decree, the water will be lost. Ms. Lewis said that fear was expressed in the pre-development phase, so they have worked with the Utah League of Cities & Towns (ULCT) and added a provision to the statute that a water right in a water bank cannot be condemned by a municipality for 5 years.

Ms. Lewis clarified for Ms. Simmonds that each bank will create their own leasing program (could include long-term, short-term leases, or multiple leases). The objective of the bank is the opportunity for users to maintain more control. Ms. Simmonds questioned the idea that the water right could be condemned by a municipality within 5 years. Ms. Lewis confirmed that this would only be allowed once the water right leaves the bank.

Ms. Lewis said they have funding to begin the scoping process, which will be within the next 6 months, so discussions need to begin in earnest soon. She recommended expediting some of the discussions so that they can move into identifying what the needs are and begin to set up some resources. There will be quarterly meetings on all pilot programs and Mr. Daugs will keep the Board advised monthly of what is going on locally. She encouraged members to reach out with questions or concerns.

WATER MASTER PLAN UPDATE

(Attachment 2)

Quinn Dance from J-U-B Engineers provided the summary data. He pointed out the need for more accurate and accountable water reporting. Ms. Simmonds questioned the survey timeline for determining the numbers. Chris Slater noted that these numbers are based on yearly values, they recognize there are, and will be, fluctuations that may occur. Mr. Dance said the numbers are based on the most current state audited data.

Mr. Daugs advised that the state numbers are based county-wide and broken down into city sections. The assumption is most of the development will occur within the identified city service areas. For example, Logan shows enough water, but they are almost built out versus other areas that are growing. Reliable water figures include a percentage of ground water and springs, which can fluctuate. Mr. Clark said the numbers should be reviewed very closely and provide written comment about things that were not considered. Mr. Daugs said the Bear River Conservation District is contesting the state's population data, they feel that projections to the north will grow faster than what is projected. Mr. Clark said it is important for local cities to understand how valuable reporting accurate numbers is.

Chairman Hardman noted that the Master Plan will be added to the October agenda for review, discussion and possible vote to approve.

OTHER

Mr. Clark encouraged Board member to carefully review the Great Salt Lake Strategies report that Mr. Daus sent out. It was discussed in the Utah Water Task Force meeting this past week. He said there are some concerning things in the report which have a significant impact to Cache Valley. Mr. Daus said the Bear River Development APO group will be meeting on Monday, September 21, 2020 and can discuss this. Mr. Erickson agreed that this should be a high priority of concern. Mr. Clark said this is one of the reasons the Water District was created.

Mr. Daus said at the next meeting (October 6) there will be a presentation on Cloud Seeding. It will be tentatively planned to be in-person at the Cache County Fairground Building where there is enough space for proper social distancing.

ADJOURN

The meeting adjourned at 7:12 p.m.

-Attachment 1-

Cache Water District Profit & Loss Budget vs. Actual

January through August 2020

	Jan - Aug 20	Budget	% of Budget
Ordinary Income/Expense			
Income			
Cache County	275,000.00	275,000.00	100.0%
Restricted Income	34,063.50		
Total Income	<u>309,063.50</u>	<u>275,000.00</u>	<u>112.4%</u>
Gross Profit	309,063.50	275,000.00	112.4%
Expense			
Office			
Insurance and Bonding	3,143.60	3,333.32	94.3%
Office Furnishings	60.00	1,672.00	3.6%
Office Supplies	375.25	1,333.36	28.1%
Publications	0.00	3,000.00	0.0%
Rent	6,750.00	4,000.00	168.8%
Technology			
Cell Phone	415.38		
Computer and printer	144.00		
Technology - Other	0.00	2,000.00	0.0%
Total Technology	<u>559.38</u>	<u>2,000.00</u>	<u>28.0%</u>
Vehicle	0.00	10,000.00	0.0%
Total Office	<u>10,888.23</u>	<u>25,338.68</u>	<u>43.0%</u>
Outreach			
Conservation	39,900.00	20,000.00	199.5%
Dues	914.00	1,668.68	54.8%
Northern Utah Water Conference	375.00		
Sponsorships	325.00	2,000.00	16.3%
Training	1,243.00	4,000.00	31.1%
Website	72.55	1,333.32	5.4%
Total Outreach	<u>42,829.55</u>	<u>29,000.00</u>	<u>147.7%</u>
Personnel			
Salary and benefits	82,456.55	86,668.00	95.1%
Travel and Mileage	2,817.99	10,000.00	28.2%
Total Personnel	<u>85,274.54</u>	<u>96,668.00</u>	<u>88.2%</u>
Professional Fees			
Administrative	195.00		
Attorney Services	0.00	20,000.00	0.0%
Audit	0.00	4,668.68	0.0%
Financial Services	431.74	6,668.68	6.5%
Total Professional Fees	<u>626.74</u>	<u>31,333.36</u>	<u>2.0%</u>
Project funding			
ASR Studies	0.00	16,668.64	0.0%
Bear River Development	0.00	3,333.36	0.0%
Cloud Seeding	22,377.00	34,668.68	64.5%
Secondary Irrigation	26,034.70	16,668.64	156.2%
Seepage Loss Studies	0.00	2,500.00	0.0%
Water Master Plan	6,674.00	6,668.68	100.1%
Water Studies			
Crockett Study	4,860.27		
Water Banking	0.00	6,668.68	0.0%
Water Studies - Other	0.00	33,333.32	0.0%
Total Water Studies	<u>4,860.27</u>	<u>40,000.00</u>	<u>12.2%</u>
Total Project funding	<u>59,945.97</u>	<u>120,500.00</u>	<u>49.7%</u>

Cache Water District
Reconciliation Summary
Cache Water District, Period Ending 08/31/2020

	<u>Aug 31, 20</u>
Beginning Balance	528,122.75
Cleared Transactions	
Checks and Payments - 6 items	<u>-9,637.58</u>
Total Cleared Transactions	<u>-9,637.58</u>
Cleared Balance	<u>518,485.17</u>
Register Balance as of 08/31/2020	518,485.17
Ending Balance	518,485.17

-Attachment 2-

Review Water Supply & Demand



Board Meeting - September 14, 2020



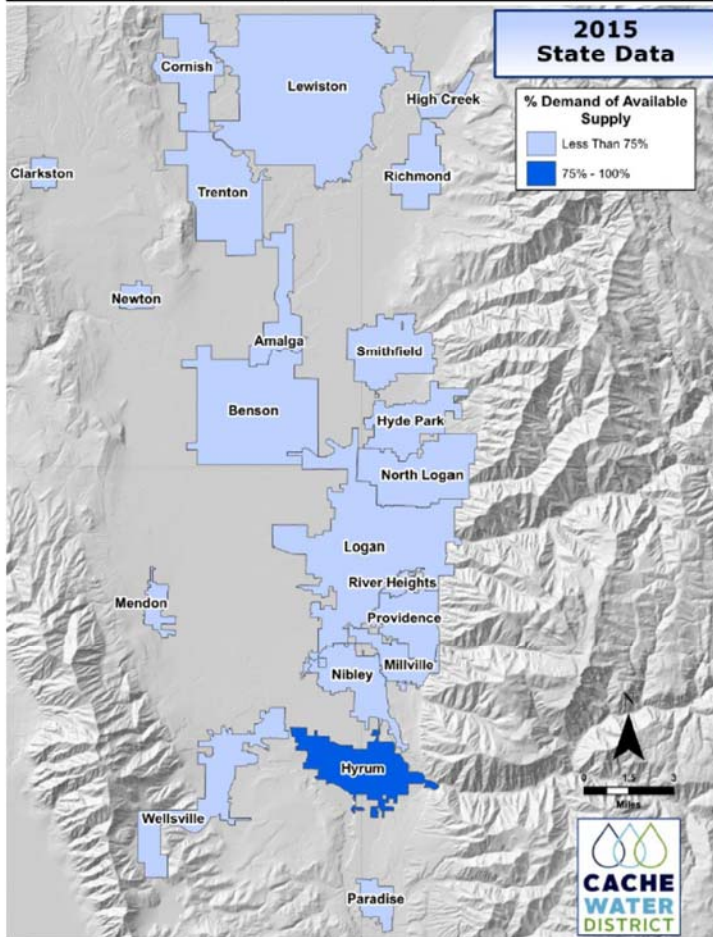
Outline

- Existing Municipal & Industrial (M&I) Supply and Demand
- Irrigation Diversion Volumes
- Future/Projected M&I Supply and Demand
- Conclusions

Existing (2015) M&I



Countywide Summary of Existing Demand vs. Supply									
BASE YEAR 2015	Population Served by Public Water Systems	DEMANDS				SUPPLY			Total Supply Surplus (Ac-ft/yr)
		Potable Total (Ac-ft/yr)	Secondary Total (Ac-ft/yr)	M&I Total (Ac-ft/yr)	Total (GPCD)	Reliable Potable Supply (Ac-ft/yr)	Secondary Supply (Ac-ft/yr)	Total Supply (Ac-ft/yr)	
COUNTY TOTALS	115,850	26,808	10,047	36,855	284	71,705	10,047	81,751	44,896



2015 Map

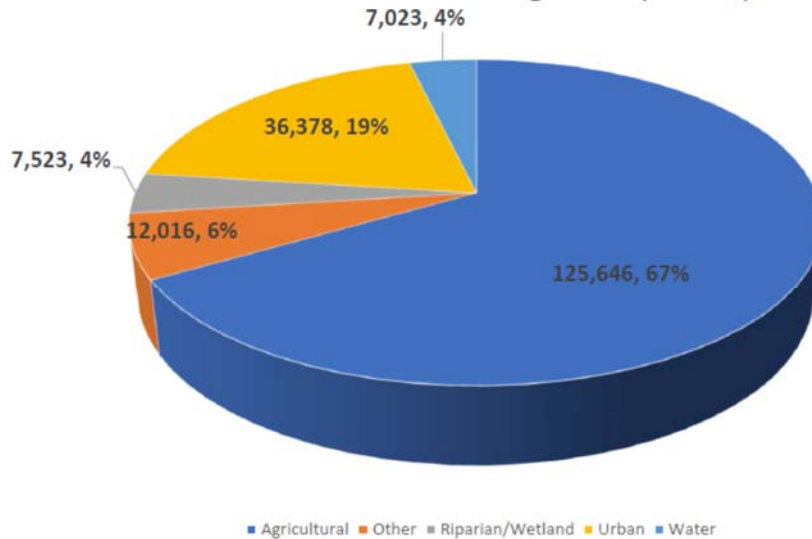


- Hyrum utilizes 79% of their existing supply.

Irrigation/Agriculture



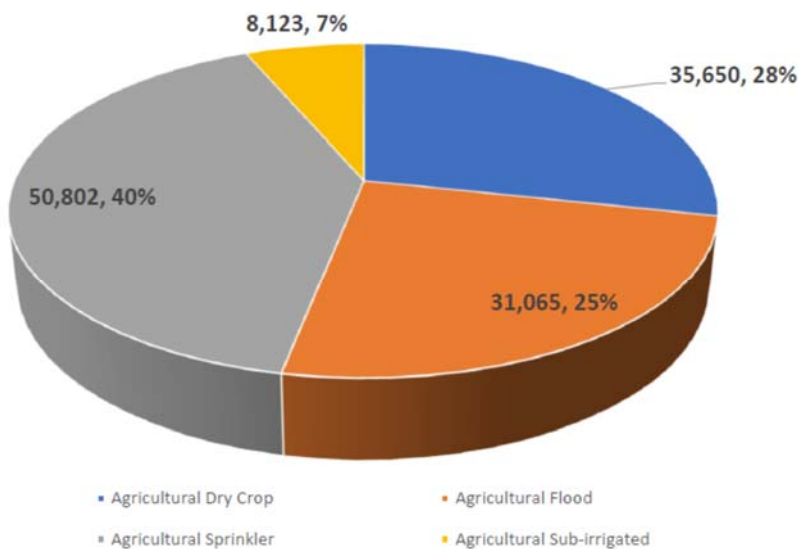
Land Use Categories (Acres)



Irrigation/Agriculture



Agricultural Irrigation Methods (acres)



Irrigation Diversions



Historic Irrigation Average Annual Water Diversion Volumes		River Total (Acre Feet/Year)
Blacksmith Fork River		
Nibley Blacksmith Fork Canal	10,980	
Hyrum Blacksmith Fork Irrigation Co.	5,160	
Providence Blacksmith Fork Irr. Co.	2,630	
Millville Irrigation Company	1,930	
College Irrigation Company	2,500	
Spring Creek Cache Irrigation Co.	3,750	
Logan River & Blacksmith	6,300	
High Creek		
Coveville	510	
Hill Ditch	10	
Lewiston	10	
Mountain Home	40	
Richmond Lower	50	
Richmond Upper	190	
Little Bear River		
Big Spring	1,400	
East Fork	11,240	
Pole Creek	590	
Porcupine Creek	350	
Davenport	1,610	
Hyrum Canal	6,230	
LB Below Paradise	30,580	

- Blacksmith Fork has limited diversion data.
- Blacksmith Fork volumes were based on 2.5 ac-ft per irrigated acre.

Irrigation Diversions



Historic Irrigation Average Annual Water Diversion Volumes		River Total (Acre Feet/Year)
Logan River		
8th Ward Canal	18,730	
Hyde Park and Smithfield Irr. Co.	17,310	
Logan Northern (Lower)	550	
Providence Pioneer Canal	512	
Providence Logan Irr. Co.	1,130	
Lower Bear River		
Cub River Irrigation Co.	35,830	
Total Pumps	9,250	
West Cache	37,260	
		82,340
Summit Creek		
	5,920	
		5,920
Annual Average Total		212,550

- Total diversion off major rivers = 212,550 ac-ft/year
- Approximate irrigated acreage minus dry crop = 90,000 acres.

Future/Projected M&I



- No Conservation
 - Maintain current conservation rates
 - No modification to land use (lot size, etc.)
- Regional Conservation Goal (RCG)
 - New modified regional goal to conserve 18% by 2030

No Conservation



Summary of M&I System Shortages without Conservation						
Year	2015	2030	2040	2050	2060	2070
Number of Systems with Projected Annual Demands Exceeding 100% Annual Supply	0	1	7	8	11	14
Number of Systems with Projected Demands Between 75% and 100% of Annual Supply	1	8	5	7	8	5

Conservation (RCG)



Summary of M&I System Shortages With 18% Conservation by 2030						
Year	2015	2030	2040	2050	2060	2070
Number of Systems with Projected Annual Demands Exceeding 100% Annual Supply	0	0	2	2	3	4
Number of Systems with Projected Demands Between 75% and 100% of Annual	1	1	1	2	4	5

Water Projections Summary



Water Projections Summary Table		
	No Conservation	18% Conservation
Number of Systems with Projected Annual Demands Exceeding 100% Annual Supply in Year 2030	1	0
Number of Systems with Projected Annual Demands Exceeding 100% Annual Supply in Year 2070	14	4
Additional Annual Water Supply Needed on a County Wide Basis by Year 2070 (Acre-Feet)	14,000	0
Water Projections Summary Table		
Number of Systems with Projected Demands Between 75% and 100% of Annual Supply by Year 2030	8	1
Number of Systems with Projected Demands Between 75% and 100% of Annual Supply by Year 2070	5	5

Conclusions



- Many of the existing systems have adequate water supplies but will need additional sources in the future.
- Meeting the new regional conservation goal will extend M&I water supplies significantly
- Additional irrigation sources and/or improved delivery efficiencies can help agriculture production greatly.
- Need to quantify and understand environmental water demands.