



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 October 21, 2019

The Cache Water District Board of Trustees convened for on October 21, 2019 at 5:30 p.m. In the Cache County Historic Courthouse, Council Chambers, 199 North Main Street, Logan, Utah.

MEMBERS OF THE BOARD IN ATTENDANCE:

Jeannie F. Simmonds – Logan #1 Council District
Jonathan W. Hardman – South Council District
Scott Clark - Logan #2 Council District
Max Pierce – North Council District
Bret Randall – Northeast Council District
Jared Clawson – At-Large Position

MEMBERS OF THE BOARD ABSENT:

Don Baldwin – Agricultural Representative
Kirt Lindley – At-Large Position
Herm Olsen – Logan #3 Council District
Shaun Dustin – Southeast Council District
David Erickson – At-Large Position

OTHERS IN ATTENDANCE: Nathan Daug's (Manager), Megan Nelson (The Nature Conservancy), Ann Neville (The Nature Conservancy), Emily E. Lewis (Clyde, Snow & Sessions), Candice Hasenyager (DWR), Hilary Shughart (Bridgerland Audubon Society), Joanna Endter-Wada (USU), Lisa Welsh (USU), Chris Slater (J-U-B), Wayne Wurtsbaugh (Bridgerland Audubon Society), Bryan Dixon (Bridgerland Audubon Society), Chad Brown (FCE) Regan Wheeler (FCE), Debbie Zilles

CALL TO ORDER

The meeting was called to order by Chairman Hardman at 5:30 p.m.
Consideration for minutes from September 16, 2019 and agenda for October 21, 2019.

ACTION: Motion by Ms. Simmonds to approve the agenda and the minutes as submitted. Seconded by Mr. Clawson. Motion approved unanimously.

PUBLIC COMMENT

None

REVIEW CALENDAR & ACTION REGISTER

- Oct. 24 – Water District Work Meeting - 3:00-6:00 p.m. (County Council Chambers)
- Oct. 29 – Utah Water Summit (Provo)
- Nov. 7 – Cache Summit - Community Event Center (Logan)
- Nov. 13 – Great Salt Lake Advisory Group (SLC)
- Nov. 13 – Utah Water Task Force (SLC)
- Nov. 19 – Bear River Commission Meeting (DNR Building)

FINANCIAL REPORT

(See **Attachment 1**)

MANAGER'S REPORT

- **Office Space Discussion** – Mr. Daugs will be moving to a new office at the Events Center by November 10. The mailing address will remain the same until a long-term decision is made. The rent will be the same amount.
- **Task Force Update** – There will be a meeting next with to work on ideas regarding SB52, specifically focused on how secondary metering could be implemented and what impacts there might be. A summary of the ideas will be presented to the legislature on November 21.
- **Master Plan Update** – J-U-B will provide a draft for the Board to review at the next meeting. The plan is still on track to be finished by the end of the year.
- **CWD Planning Workshop** – An email with questions was sent out the members. Chairman Hardman asked everyone to provide feedback to Mr. Daugs who will forward the information to Chris Slater for most effective use of time at the workshop meeting.

PRESENTATION

Water Banking in Utah – Presented by Candace Hasenyager & Emily Lewis
(See **Attachment 2**)

ADJOURN

The meeting adjourned at 6:52 p.m.

-ATTACHMENT 1- Monthly Financial Report

8:55 AM
11/01/19
Accrual Basis

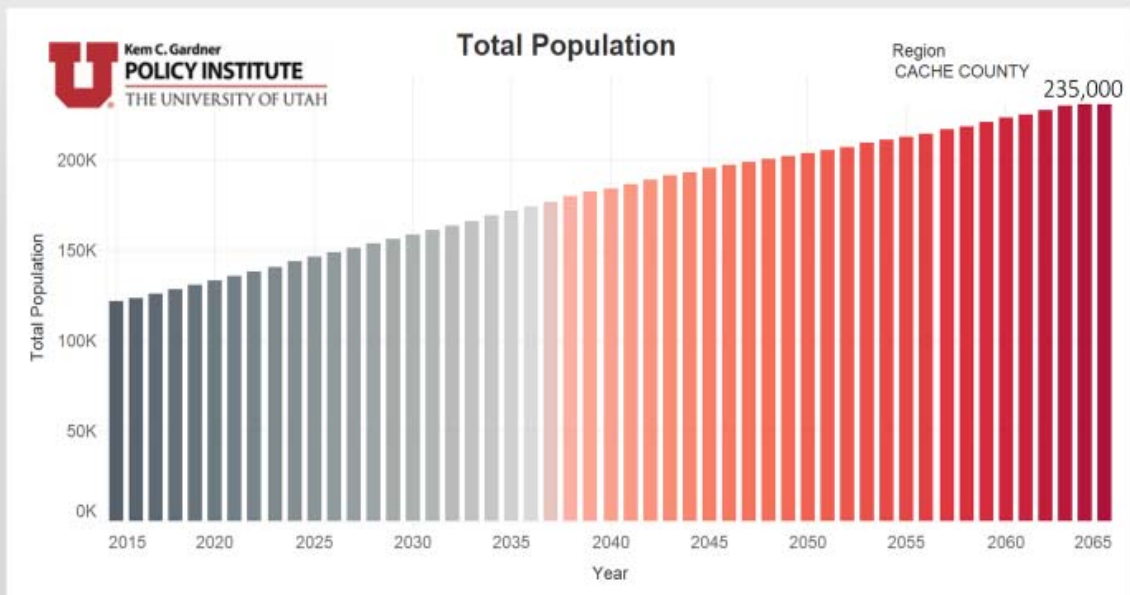
Cache Water District Profit & Loss Budget vs. Actual January through September 2019

	Jan - Sep 19	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Cache County	295,250.00	250,000.00	45,250.00	118.1%
Restricted Income				
Northern Utah Water Conference	2,215.00			
Restricted Income - Other	22,271.86	1,373.61	20,898.25	1,621.4%
Total Restricted Income	24,486.86	1,373.61	23,113.25	1,782.7%
Total Income	319,736.86	251,373.61	68,363.25	127.2%
Gross Profit	319,736.86	251,373.61	68,363.25	127.2%
Expense				
Office				
Insurance and Bonding	3,157.00			
Office Supplies	631.93	1,502.00	-870.07	42.1%
Publications	0.00	2,250.00	-2,250.00	0.0%
Rent	0.00	4,126.00	-4,126.00	0.0%
Technology				
Cell Phone	510.43			
Computer and printer	683.42			
Technology - Other	0.00	2,250.00	-2,250.00	0.0%
Total Technology	1,193.85	2,250.00	-1,056.15	53.1%
Total Office	4,982.78	10,128.00	-5,145.22	49.2%
Outreach				
Conservation	4,325.00	12,375.00	-8,050.00	34.9%
Dues	500.00	1,502.00	-1,002.00	33.3%
Northern Utah Water Conference	2,126.06			
Training	1,678.32	4,500.00	-2,821.68	37.3%
Website	265.92	1,876.00	-1,610.08	14.2%
Outreach - Other	256.88			
Total Outreach	9,152.18	20,253.00	-11,100.82	45.2%
Personnel				
Salary and benefits	72,556.66	82,499.00	-9,942.34	87.9%
Travel and Mileage	5,938.00	7,501.00	-1,563.00	79.2%
Total Personnel	78,494.66	90,000.00	-11,505.34	87.2%
Professional Fees				
Administrative	370.00			
Attorney Services	0.00	22,500.00	-22,500.00	0.0%
Audit	0.00	5,251.00	-5,251.00	0.0%
Financial Services	253.00	7,501.00	-7,248.00	3.4%
Total Professional Fees	623.00	35,252.00	-34,629.00	1.8%
Project funding				
Cloud Seeding	53,065.18	37,499.00	15,566.18	141.5%
Water Master Plan	7,899.00	30,001.00	-22,102.00	26.3%
Water Studies				
Crockett Study	7,777.21			
Water Banking	7,534.58			
Water Studies - Other	0.00	14,999.00	-14,999.00	0.0%
Total Water Studies	15,311.79	14,999.00	312.79	102.1%
Total Project funding	76,275.97	82,499.00	-6,223.03	92.5%
Total Expense	169,528.59	238,132.00	-68,603.41	71.2%
Net Ordinary Income	150,208.27	13,241.61	136,966.66	1,134.4%
Net Income	150,208.27	13,241.61	136,966.66	1,134.4%

**-ATTACHMENT 2-
Water Banking in Utah Presentation**

**Water Markets and Water Banking
In Utah
Cache Water District
October 21, 2019**

Looking Ahead



Pressures

- Increased population
- Development
- Recreation
- Environment
- Agricultural production and efficiency
- Drought and climate



Why We Are Here? **Voluntary – Temporary – Local**

To better support Utah's growing water demands, water banking could facilitate local, voluntary, and temporary transfers of water that generate income for water right owners and increase access to water.

Case Study: Lower Arkansas Valley, CO

Buy and Dry: The purchase and fallowing of agricultural lands in order to transfer and use the water rights for non-agricultural uses, primarily to support expanding urban growth in distant municipalities.

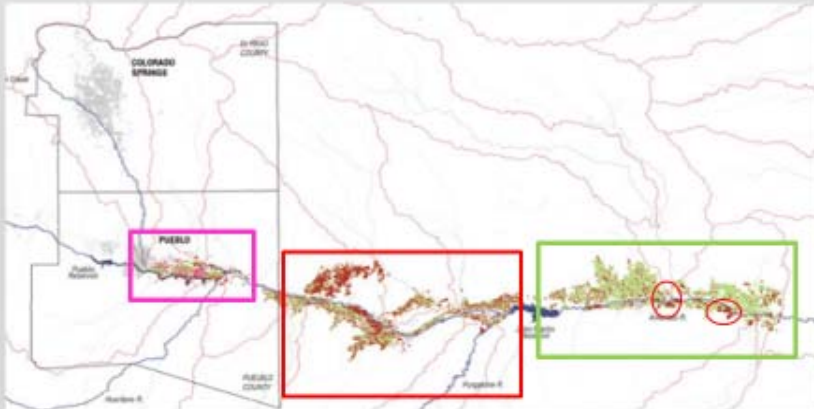
Pueblo and Colorado Springs, Colorado

Estimated 78% growth in population between 2008- 2050

“Buy-and-dry” transfers have followed ¼ of the area’s agricultural lands

=100,000 Acre-Feet of water transferred

Estimated 50% of farmland could be fallowed by 2050 to supply urban growth

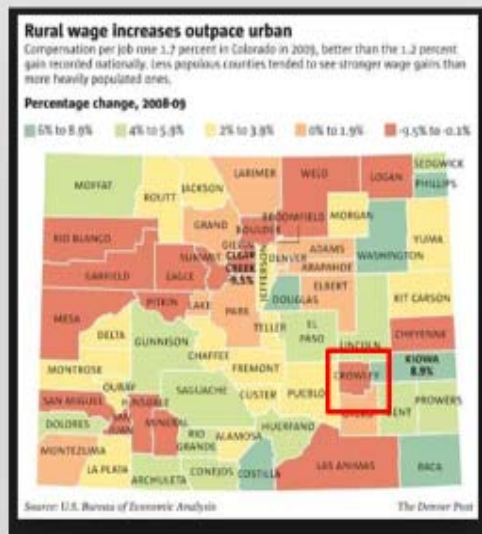


Red Dots = taken out of production via buy & dry
 Pink = water rights transitioning (replace in place)
 Green = productive farmland

Impacts of Buy-and-Dry: Crowley County, CO



Photo by Jennifer Goodland



.1% to - 9.5% wage growth (2008-2009)

70,000 acre-feet transferred to municipal use for Pueblo and Colorado Springs

50,000 acres reduced to 5,000

Poverty rate: 47.4% (2013-2017)

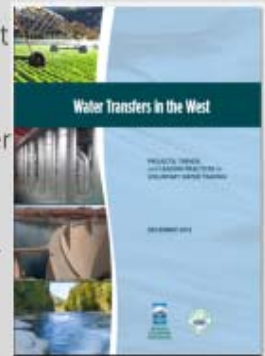
M&I owns 90% of water Twin Lakes Reservoir (primary Crowley County reservoir)

Noxious weeds and dust storms

What to do to avoid buy and dry?

Western states are developing market alternatives, including water banking, to avoid buy and dry.

- **"Water Transfers in the West" - Western Governor's Association (2012)**
- **2017 State Water Strategy Report – Utah Gov. Gary Herbert**
 - 3.5 Create mechanisms that help agricultural water users contribute to improving water management – including water banking.
 - 4.5. Facilitate development of environmental water markets to preserve natural systems increasing demands.
 - 9.5. Facilitate temporary transfers of water to modernize Utah Water Law and Policy .
- **2017 -2019 Water Banking Working Group Statewide Initial Study Effort**



Water Banking
Voluntary – Temporary – Local

Utah Water Banking Concept
Addressing the Need for a Flexible Alternative

Water Banking Stakeholder Group: Consensus Guidelines

- 1) Voluntary: only those who want to participate
- 2) Local: keep decision making and organization at local level
- 3) Temporary: maintain ownership of underlying water right with owner
- 4) Prior Appropriation: retain value and certainty of underlying water right
- 5) Low Transaction Costs: not be expensive or burdensome
- 6) Efficient Transactions: easy to understand and execute
- 7) Access: promote equal access to banked water
- 8) Complementary: not impede current efforts

Draft Legislation Key Concepts

- 
- Defines objectives of water banking
 - Addresses legal barriers to greater water marketing and banks
 - Process to create water banks and annual reporting requirements
 - Sunset date for legislation (10 years)

Where We Are Today

- Senate Joint Resolution 1 (2019)
- Appropriation \$400,000
- 2019 BOR WaterSMART Water Marketing Grant (July 31) - \$400,000
- DRAFT Legislation

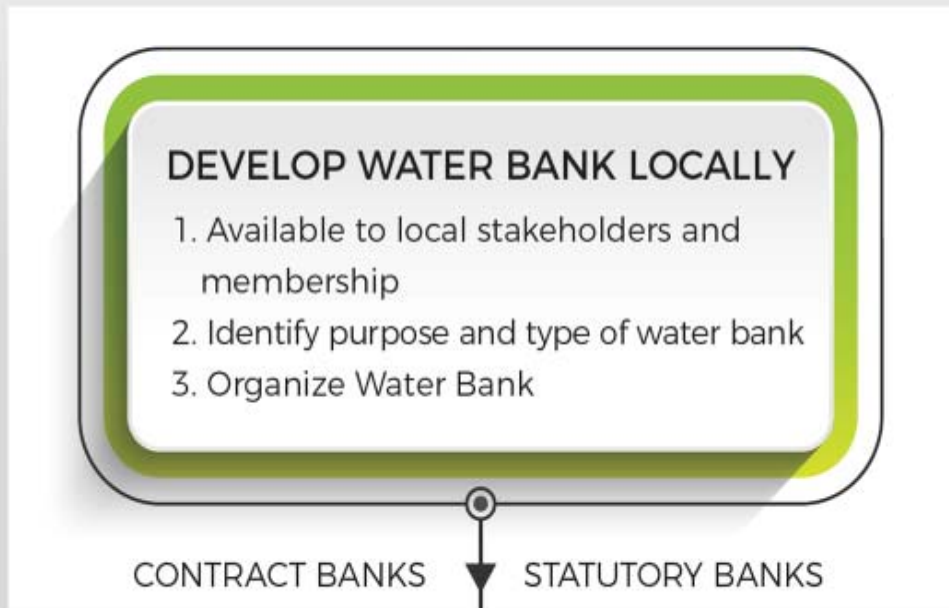


Reclamation makes up to \$3 million available for 2019 Water Marketing Strategy Grants funding opportunity

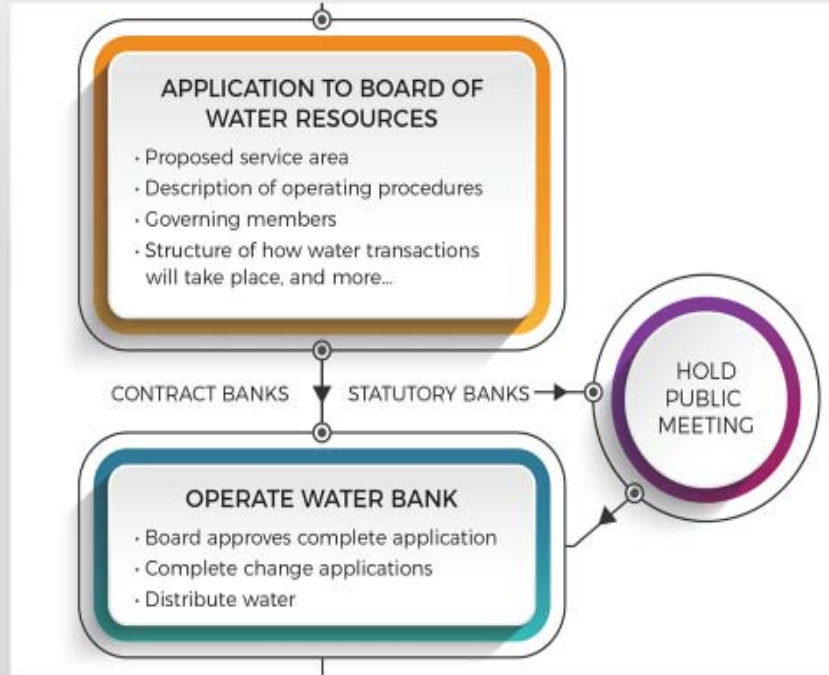


The 2019 Water Marketing Strategy Grants funding opportunity is now available from the Bureau of Reclamation. This funding opportunity is available to water entities to establish or expand water markets or water marketing activities. Reclamation will make available up to \$200,000 for simple projects that can be completed within two years and up to \$400,000 for more complex projects that can be completed in three years. Up to \$3 million is available for this funding opportunity. [Read More →](#)

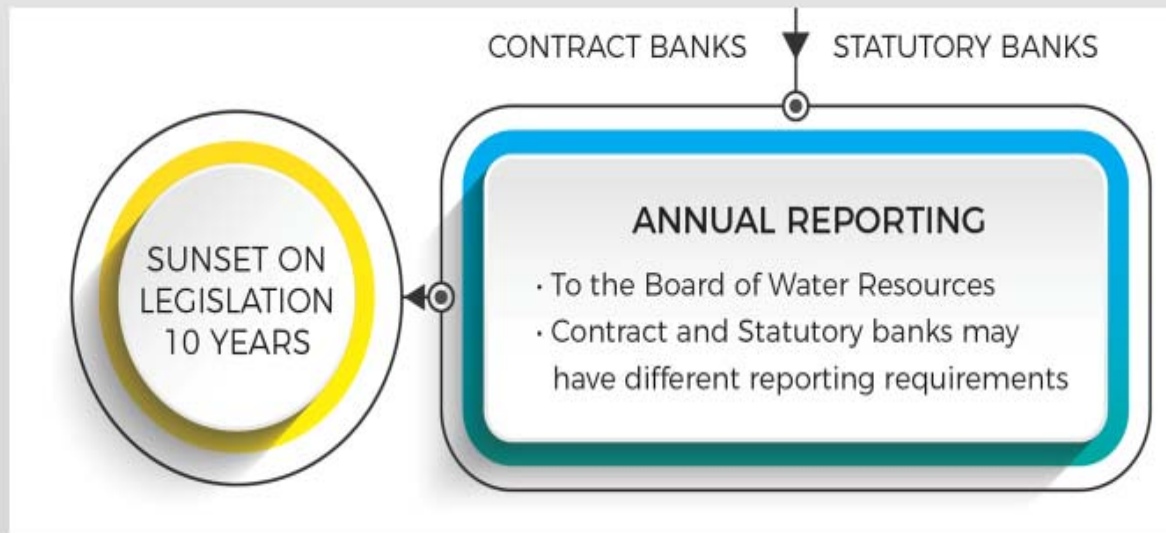
Proposed Process



Proposed Process



Proposed Process



Thoughts for Moving Forward

VOLUNTARY – TEMPORARY – LOCAL

Not a panacea:

Water banking just one tool we will need to preserve agriculture and create greater access to water

Slow and Steady:

Taking our time to get this right – term legislation; demonstration projects; built in assessment

Consensus:

Designing a concept that is based on input and needs of the broader water community

Exciting:

Opportunity to be innovative and impactful

<https://utahwaterbank.org>



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NEWS & EVENTS

Events

Upcoming Events

- (canceled) Oct 3, 2019 Delta Farm Bureau Presentation at 10:00 AM, Delta, UT
- Oct 7, 2019 CLE International at 11:00 AM, Salt Lake City, UT
- Oct 10, 2019 Plute Farm Bureau Presentation at 6:00 PM, Plute, UT
- Oct 15, 2019 State Water Development Commission at 4:00 PM, Salt Lake City, UT
- Oct 21, 2019 Cache Water District Presentation at 5:30 PM, Cache, UT
- Oct 29, 2019 Utah Water Users Summit at 1:30 PM, Provo, UT
- Oct 30, 2019 Water Banking Large Committee Meeting at 1:00 PM, Salt Lake City, UT
- Oct 30, 2019 Richfield Farm Bureau Presentation at 6:30 PM, Richfield, UT
- Nov 4, 2019 American Water Resources Association, National Conference at 1:00 PM, Salt Lake City, UT
- Nov 7, 2019 Utah Association of Special Districts Water Banking Presentation 4:00 PM, Layton, UT
- Nov 15, 2019 Utah Association of Conservation Districts at 1:00 PM, Provo, UT
- (tentative) Nov 20-21, 2019 Salt Lake County Watershed Symposium, Salt Lake City, UT
- (tentative) Nov 20-22, 2019 Utah Farm Bureau Federation Annual Convention, Layton, UT
- (tentative) Nov 21, 2019 Utah Cattleman's Association Presentation
- Jan 2020 (tentative) Uintah Basin Water Summit, Vernal, UT
- Jan 22, 2020 Weber River Symposium, Ogden, UT
- Feb 13, 2020 NBI Seminars at 1:00 PM, Salt Lake City, UT
- Mar 2020 Water Law & Policy Seminar

Next Steps:

We want to hear from you!



info@utahwaterbank.org

Next Steps:

Survey

<https://utahwaterbank.org/feedback/>

