

MINUTES OF THE EXECUTIVE WATER FINANCE BOARD

Tuesday, April 17, 2018

8:45 a.m.

State of Utah Senate Building, Kletting Room, 350 N. State Street

Members Present:

Phil Dean, Chairman

Jon Bronson

Laura Briefer

Evan Curtis

Members Absent:

Eric Millis

Juliette Tennert

Staff Present:

Miranda Jones, Finance Specialist

1. Call to Order

Chair Phil Dean called the meeting to order at 8:58 A.M.

a. Approval of minutes

Phil Dean indicated that hard copies of the minutes of the last several meetings were available to board members, and could be approved at the end of the meeting.

b. Other Administrative Matters

Phil asked the board to reschedule the June 26 meeting to June 13. He mentioned that the June meeting will be used to further discuss Lake Powell Pipeline agenda items.

The chair also asked the board to identify a date in September that they could travel to Washington County for additional Lake Powell Pipeline Meetings. The tentative date scheduled was September 17th and 18th.

The chair showed the board a photo of repeated instances of watering sidewalks at an institution of higher education in the state.

2. Repair and Replacement

Phil welcomed Cameron Diehl from the Utah League of Cities and Towns and stated that he would like to start a dialogue with municipalities regarding local repair and replacement funding and other water issues.

Phil wondered if cities perceive that the state has placed limitations on repair and replacement reserves and asked Cameron if this is accurate. Cameron stated that he would be putting together a water working group with local elected officials, senior staff and others to address some of these questions.

Jon Bronson and Laura Briefer discussed local enterprise funds. Laura noted that it is important not to retain too much funding, and Jon mentioned that enterprise funds are often under scrutiny. Cameron cited HB 164, Municipal Enterprise Fund Amendments, which affected public notice of enterprise fund transfers.

Phil asked about the appropriate time-period for capital reserve set-asides. Laura responded by saying that there is generally a 10-15 year timeframe, and that staying up to date on capital improvement planning is key.

3. Board Discussion

The board discussed local reserve funds and the use of capital improvement funding for improvement projects. Phil expressed interest in knowing what percentage of municipalities have reserve funds, and Laura Briefer mentioned that in order to raise rates, there must be capital improvement plans in place. Jon Bronson added that every entity in the state should have a long-term capital improvement plans, and referenced Davis School District.

Jon noted that the size of the city matters when it comes to capital reserves. Cameron referenced Ephraim City's past unsuccessful attempts to obtain funds for a particular project.

Cameron and Phil discussed secondary water metering and understanding of water use.

The board discussed model landscaping ordinances. Cameron mentioned a bill from former Senator Jenkins, which had landscaping recommendations.

Cameron asked if the board would like to discuss impact fees and referred to HB 303, Drinking Water Source Sizing Requirements from the 2018 legislative session. Treasurer Damschen responded that the board would like to discuss impact fees, especially since the Lake Powell Pipeline could lead to significant increases in impact fees.

Cameron mentioned that he would meet with leadership from the League sometime around mid-May and follow up with the board.

4. Recommended State Water Strategy

Representative Tim Hawkes, one of the three chairs of the Water Strategy Advisory Team, introduced the findings of the Recommended State Water Strategy Report and the purpose behind the document. He explained the timeline of the projects over the course of four years and briefly outlined the policy recommendations found in the document.

Representative Hawkes discussed the priority of efficiency and conservation of water in Utah, and noted that an important recommendation from the report was better water data.

Karry Rathje and Candice Hosenyager discussed Nevada water use and internal and external water use comparisons.

Representative Hawkes noted that the costs of subsidized conservation programs progressively get more expensive.

Representative Hawkes explained that there are emerging plans for developing water markets. For example, groups are looking at water banking and noted that there will likely be water banking legislation in 2019.

Representative Hawkes mentioned Owens Lake in California in which mitigation costs to the lake increased from \$2.1 million to \$75 million annually due to low lake levels. He says that the Great Salt Lake mitigation could be much worse.

He also noted the recommendation to accelerate funding for the adjudication of water rights.

Phil and Representative Hawkes discussed how secondary water metering in Weber Basin has significantly impacted water use for newly metered properties, and how information sharing can be used as a powerful conservation tool.

Representative Hawkes mentioned split season leasing and temporary transfers.

Representative Hawkes listed three issues that he recommended the state should focus on in the near-term, including the following:

- 1) Split Season Leases
- 2) Water Banking
- 3) Expanding Instream Flow

5. Water Rate Data

Miranda Jones and Colby Oliverson from the Governor's Office of Management and Budget presented on water rate data collected from Utah cities and surrounding states. They focused on the tiered rate structures of these cities and showed which cities have steep structures vs. shallow rate structures.

Other Items/ Adjourn

The Chair moved the approval of the minutes from the March, St. George meetings until the May meeting. He noted that draft minutes will be posted online.

Evan Curtis moved to adjourn. The motion passed unanimously.