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I had the honor of presenting information to Gov. Herbert's Executive Water Finance Board Sept. 17 when the board was in St. George for two days of meetings. Conserve Southwest Utah, on whose board I serve, was invited to do a presentation focused on Washington County's local water resources — resources we assert can sustain our county's future development and growth.

During the many Executive Water Finance Board meetings held earlier this year, a variety of topics have been covered. But up to this point, the focus has been on payment options, water use, and the perceived need for the proposed Lake Powell Pipeline with our local water resources and opportunities getting short shrift.

Concerns about our county not being able to meet its economic potential without the Lake Powell Pipeline water were expressed by leaders who attended the meeting. In fact, it is interesting that of all comments expressed at the meeting most were against the project — comments by average citizens — and almost all supportive comments were made by either current leaders or those who stand to gain greatly from the project, such as the Southern Utah Home Builders Association. The same "we cannot reach our economic potential" argument was expressed the following day, Sept. 18, by Mayor Pike to the Executive Water Finance Board before they began their tour of our county's water facilities.

This argument lacks credibility.

Conserve Southwest Utah's presentation to the board made it clear that we have more than enough water, if managed well, to meet our county's needs and help realize the economic potential leaders want.

It's clear from the most current water usage number, 303 gallons per capita

per day, that we are still wasting water. The better we get at using our water wisely, the longer our local resources will last.

The entire Conserve Southwest Utah presentation, audio and .pdf versions of the PowerPoint presentation, is available <u>online</u> along with other presentations from the Sept. 17 meeting (CSU 2018 Sept 17 Executive Water Finance Board presentation FINAL for Board.pdf). A large part of the presentation focused on the report, "<u>Local Waters Alternative to the Lake Powell Pipeline</u>."

This report, based on a study completed by Western Resource Advocates, was published in 2013, but the message is still strong today: Our local resources can provide for this county's 2065 water needs even with projected population growth. And, it's important to remember that the projected population in 2060, the target year used by the state for the project, is now down from 860,000 to around 500,000. So, our local resources will provide for us. The state and county water district assert they can provide 98,528 acre feet per year without the Lake Powell Pipeline water. To put that in perspective, Albuquerque supports over 600,000 on under 100,000 acre feet per year. And the 98,528 does not include water that has not yet been converted from agricultural use to municipal and other sources. It also does not include additional potential yearly yield from reservoirs and aquifers or future advancements in water treatment which improve daily with lower costs.

It is clear from this latest meeting and those that preceded that there are no easy answers for financing this massive project. Members of the board, two of whom are from the governor's office and one our state treasurer, provided information about the challenges this project presents due to other demands on the state.

The current projected cost of \$1.1-\$1.8 billion does not include interest on loans that would potentially add billions to the cost.

Also not included in the current projected cost is the Pumped Storage Project. This energy-producing component is clearly included in state reports to the Federal Energy Regulatory Commission for licensing. It is the only portion of the project that actually might produce a significant amount of energy but gets very little discussion locally or at the state level.

The Pumped Storage Project costs nearly \$700M and would have to be paid by Washington County, with no state assistance. Of course, per current law, the majority of the Lake Powell Pipeline cost would have to be paid by Washington County, too. So this is no small matter for a county that uses more water than necessary and already has sufficient water resources.

It's overreach, for sure.

Executive Water Finance Board members listened patiently and respectfully to those leaders present at the meeting who support the project. Nevertheless, the board's concern about the state acting as banker for the Lake Powell Pipeline cost, which would essentially amount to about a \$1 billion subsidy from the state to our county, was clearly expressed.

Of course, that was not received well by those who support the project and feel that all Utah taxpayers have supported other projects and should support the Lake Powell Pipeline, too. They use projects such as the Central Utah Project and transportation projects that received state funds as justification. But those projects and tax dollars supported a much larger number of Utah's citizens while this expensive and risky Lake Powell Pipeline project would support a mere 5 percent of the state's residents. Of course, visitors and second-home owners need to be included, too. But currently, with all those people included, our county is using about 56,000 acre feet at 303 gallons per person per day with little conservation effort expended.

Supporters emphasized the great benefit this project and its water would have for our state. But over-allocation demands on the Colorado River and diminished flows could make this project just a financial albatross.

The subsidy issue was greeted with much angst by former Utah House Speaker David Clark, author of the 2006 Lake Powell Pipeline Development Act. Clark, who apparently has much skin in this game, forcefully pushed back against the idea, reminding Executive Water Finance Board chair Phil Dean that the Lake Powell Pipeline is a state project and it's just the board's responsibility to figure out how to pay for it.

But that's the rub, as Phil Dean made clear to Dave Clark in no uncertain terms.

Basically, and in a nutshell, Dean pointed out that the legislature can come up with all sorts of legislation that needs funding, but that doesn't mean it can be done in a financially reasonable manner. Given the state's constitutional debt limit and desire to maintain its stellar credit rating, cost increases for Lake Powell Pipeline and other projects such as the prison relocation and roads make decisions more difficult.

In fact, the actual cost of the Lake Powell Pipeline is yet to be determined, so the \$1.1–1.8 billion cost (\$1.8–\$2.5 billion if the Pumped Storage Project is included) is not even a firm cost at this point. The conversation got a little testy, but the board did not buckle in its position, which gives me great hope that they will be strong enough to withstand the considerable pressure I'm sure is being exerted on them not only from Clark but from other proponents as well.

Other options for payment such as loading the entire project on Washington County from the start, which is unfeasible, or turning to the federal government's <u>Water Infrastructure Finance and Innovation Act</u> program, which will have many states across our nation clamoring for those dollars, are options. But none of the options are easy ones.

Furthermore, until a more definite cost for the project is determined, application for Water Infrastructure Finance and Innovation Act funds is not even possible.

On Sept. 20, three days after the meeting, FERC met to review and decide on their Lake Powell Pipeline jurisdiction. In December of last year, after having been lead agency on the project since 2008, FERC questioned their jurisdiction on the entire process, stating they should only have jurisdiction over the hydropower portion. Soon after, the state asked that the process be put on hold until a decision made. FERC has stood by its December position, and now greater involvement by other agencies will be required for project licensing.

The Sept. 20 FERC decision has restarted the project clock, and the public comment period is now in progress once again. Initial comments are due Nov. 19. The subsequent 45-day response period will close Jan. 3, 2019. To comment, citizens can visit ferc.gov/docs-filing/efiling.asp. The project number is P-12966-000. If you need information to help with your comment, go to ferc.gov/docs-filing/efiling.asp. The project number is P-12966-000. If you need information to help with your comment, go to ferc.gov/docs-filing/efiling.asp. The project number is P-12966-000. If you need information to help with your comment, go to ferc.gov/docs-filing/efiling.asp. The project number is P-12966-000. If you need information to help with your comment, go to ferc.gov/docs-filing/efiling.asp. The project number is P-12966-000. If you need information to help with your comment, go to ferc.gov/docs-filing/efiling.asp. The project number is P-12966-000. If you need information to help with your comment, go to ferc.gov/docs-filing/efiling.asp. The project number is P-12966-000. If you need information to help with your comment, go to ferc.gov/docs-filing/efiling.asp.

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- —At the bottom, select "Next" by the sentence that begins "Proceed to full registration."
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- —In the email from FERC, click the link that reads "to confirm your email address and complete your registration" to complete the registration and take

you back to FERC's online portal.

- —Below your personal information and under the "Enter Docket" box, type in "P-12966-000" the Lake Powell Pipeline's docket number.
- —Click the blue plus sign to the right of the first entry that shows up ("Application for a Preliminary Permit for the Lake Powell Pipeline Project. RM").
- —Add a comment (fewer than 6,000 characters) in the box directly below (to right of "Comment").
- -Select "Send Comment" to submit.

If this is all too confusing, just type, print and mail your comments to the following address:

Kimberly D. Bose, Secretary Federal Energy Regulatory Commission

888 1st Street, N.E.

Washington, D.C. 20426

RE: P-12966-004

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