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Lake Powell pipeline funding clears 1 hurdle

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SALT LAKE CITY — A legislative task force has given a preliminary nod to a funding proposal on a sales tax allocation that would pay for new water infrastructure in the state — notably the Lake Powell pipeline.

The Monday vote by the Water Issues Task Force asks the entire Utah Legislature to consider allocating up to 15 percent of the growth in future sales tax revenue beginning in budget year 2014 for the pipeline or other projects.

It's estimated that such a dedication of tax monies would generate \$60 million in the first year and as much as \$90 million by 2022.

The money would be used to pay back bonds issued by the state or a state-created water district to fund the Lake Powell Pipeline, estimated to cost \$1.1 billion.

"This is a motion to move the issue forward," said Rep. Mel Brown, R-Coalville, stressing to concerned colleagues that a vote by the water task force is by no means binding on the rest of the legislative body.

The proposal includes piping Lake Powell water 139 miles to Sand Hollow Reservoir in Hurricane, Washington County, and putting in another 35 miles of pipe to convey water to Cedar City. Some of the 100,000 acre feet of water would also be diverted to Kane County.

Rep. Kay McIff, R-Richfield, and Sen. Pete Knudson, R-Brigham City, said they worry that lopping off another chunk of future revenue for specific projects might over-commit the state, especially given an already approved diversion of 30 percent of future sales tax growth dedicated for roads.

"Forty-five percent in future sales tax revenue is too much for me to stomach on an ongoing basis," McIff said.

The approval, too, came despite objections from numerous critics in the audience, including representatives from the Utah Rivers Council and Citizens for Dixie's Future.

"There are cheaper alternatives that exist to deliver water to Washington County," said Zach Frankel of the Utah Rivers Council. "There is no way around that."

Frankel pointed to other cities in the West that he said are "light years" ahead of Washington County when it comes to water conservation and that water rates imposed by the district are artificially low because they are so heavily subsidized.

Steve Erickson with the Great Basin Water Network urged a slower pace for any development of the pipeline, especially given conservation approaches that may not have been put to work by the district.

"I think we need to look at that universe of conservation efficiencies." Erickson said.

But the district's general manager said the reality is the district will not be able to meet future demands if the pipeline project doesn't get rolling.

"Without that infrastructure in place, I believe our future gets fairly bleak," said Ron Thompson, manager of the Washington County Water Conservancy District. "If we do not have the (project) going online in the early 20s, do we curtail growth? Is it first in first out? There is not going to be water to sustain the economy, and how do you keep it going?"

Rep. Mike Noel, R-Kanab, criticized opponents of the pipeline who say the entire state will be footing the bill for a project that only benefits a few.

"I guess you can say anything you want if you are not constrained by the truth, such as the Wasatch Front will pay for this project. The citizens of Washington County will pay for this project. ... This will benefit everyone in this state once this project comes into play."

Noel pointed to examples of sales tax or other state revenue helping to pay for site-specific infrastructure, such as the 2002 Winter Games or the Great Salt Lake pumps.

"The 2002 Olympics benefited people up in this area," Noel said. "The Great Salt Lake pumps didn't benefit me in Kane County. They were for the benefit of the people up here."

The proposal will now go to the Natural Resources Interim Committee for a hearing Wednesday at the state Capitol.

E-mail: amyjoi@desnews.com

Twitter: amyjoi16

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