

*Approved*

BOARD OF WATER RESOURCES MEETING

MINUTES

March 16, 2016

Crystal Inn  
Cherokee Room  
1450 S. Hilton Drive  
St. George, Utah

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## SUMMARY OF BOARD ACTIONS

1. Minutes from the February 11, 2016 meeting were approved. Page 1
  
2. The Board voted to authorize the project for Whiterocks Irrigation Company and state that it be purchased at 1% over 20 years with annual payments of approximately \$99,000. Page 1
  
3. The Board voted to amend the existing purchase agreement with Summit Creek Irrigation and Canal Company to include 85% of all three phases of the project up to \$1,990,000, to be purchased at 2.5% interest over a period of 25 years with annual payments of approximately \$95,000. Page 2
  
4. The Board voted to amend the contract with North Summit Pressurized Irrigation Company to provide an additional \$230,000 of the project cost, up to \$4,485,000, out of the Conservation and Development Fund, to be purchased at 1% interest over 34 years with annual payments of approximately \$156,300. Page 2
  
5. Holmes Creek Irrigation Company requested its application be withdrawn from further consideration by the Board. Page 2
  
6. The Board voted to commit \$107,000 in loan funds from the Revolving Construction Fund to Ouray Park Irrigation Company, to be returned at 0% interest over 19 years with annual payments of approximately \$5,500 for the first 18 years and the balance being paid the final year. The Board also authorizes a dam safety grant of 90% of the project cost up to \$968,000. Page 3
  
7. The Board voted to approve a contract amendment with MWH Americas, Inc. to address additional tasks requested by the SHPO offices of Arizona and Utah, and required by the BLM, and provide an additional \$1,645,577. Page 3

## THOSE PRESENT

The Utah BOARD OF WATER RESOURCES met in regular session on Wednesday, March 16, 2016 at the Crystal Inn, 1450 S. Hilton Drive, St. George, Utah. Chairman James Lemmon presided over the 2:30 p.m. meeting.

### BOARD MEMBERS PRESENT:

Jim Lemmon, Chair  
Steve Farrell, Vice-Chair  
Charles Holmgren  
Stew Paulick  
Blaine Ipson  
Norm Johnson  
Dave Humphreys  
Gawain Snow

### STAFF MEMBERS PRESENT:

Eric Millis, Director  
Todd Adams, Deputy Director  
Bill Leeflang, Assistant Director  
Barbara Allen, Secretary  
Randy Staker, Accounting Officer  
Joel Williams, Chief of Investigations  
Tom Cox, Engineer  
Jacqueline Pacheco, Engineer  
Joshua Palmer, Public Information Officer

### OTHERS PRESENT:

Tyson Murray, Whiterocks Irr. Co.  
Chris Walker, Mosby Irr. Co.  
Phil Rowley, Summit Creek Irr. & Canal Co.  
Eric Franson, Franson Civil Engineering  
Mark Judd, North Summit Pressurized Irr. Co.  
Paul Blanchard, Northwest Pipe Co.  
Michael Collins, Bowen Collins  
Ronald W. Thompson, WCWCD  
Karry Rathje, WCWCD  
Corey Cram, WCWCD  
Bob Fotheringham, Cache County

MINUTES OF THE  
BOARD OF WATER RESOURCES MEETING  
March 16, 2016

Chair James Lemmon called the meeting to order at 2:30 p.m. and welcomed everyone. He thanked water providers for all they do to help with the water situation, and said the meetings were very good at the Water Users Workshop this year.

APPROVAL OF MINUTES

Gawain Snow moved that the minutes from the February 11, 2016 board meeting be approved as written; Norm Johnson seconded the motion and it passed unanimously.

FEASIBILITY REPORTS

#E375 Whiterocks Irrigation Company

Chair Lemmon welcomed Tyson Murray and Chris Walker.

Tom Cox gave the report. Two irrigation companies, Whiterocks and Mosby, want to work together to pipe the lower part of their service areas, which will allow them to abandon a 10-mile stretch of open canal and significantly reduce seepage losses. Seepage losses are estimated at 4,880 acre-feet per year from the two systems. This project will conserve 4,880 acre-feet, allow increased crop production, and reduce salt loading into the Colorado River by 1,600 tons per year. The sponsor has obtained a Colorado River Salinity Control Program grant of almost \$2.5 million to help pay for the project.

Tyson Murray said they would like to ask the board for a 20-year repayment term, instead of the 13 years staff suggested. Gawain Snow said this is a really good project and ties systems together instead of each one doing their own thing and running parallel pipelines. The salinity grant was really lucky to get this year; that will become harder to obtain in the future. He cautioned the sponsor to make sure the agreements between the two companies are in place, and made the motion to authorize the project and state that it be purchased at 1% over 20 years with annual payments of approximately \$99,000. Charles Holmgren seconded, and the motion passed unanimously.

COMMITTAL OF FUNDS

#E308 Summit Creek Irrigation and Canal Company

Phil Rowley and Eric Franson were welcomed to the meeting.

Joel Williams gave the report on behalf of staff engineer Ben Marett. He explained this is a multi-phased project and the first two phases have been completed. Phase 3 was intended to be a full recharge recovery project, but there has been some trouble getting permits from the Division of Water Rights. The sponsor has designated one existing irrigation well as a recovery well and

therefore needs to replace it with another irrigation well. They would like to drill the replacement irrigation well as Phase 3, and then add an additional Phase 4 to complete the recovery components of the project.

Phil Rowley said they didn't anticipate the irrigation well being in a phase by itself but the permitting process has been slow to do the recharge and recovery. The water rights are in order and everything is ready, they are just waiting for the permit to be issued. The sponsor is a conglomerate of four agencies working together to help with water issues at the south end of Utah County.

Steve Farrell made the motion to amend the existing purchase agreement to include 85% of all three phases of the project up to \$1,990,000, to be purchased at 2.5% interest over a period of 25 years with annual payments of approximately \$95,000. Gawain Snow seconded the motion and all were in favor.

Chair Lemmon welcomed Paul Blanchard, Mike Collins, Ron Thompson, Karry Rathje, Cory Cram, and Bob Fotheringham to the meeting.

#### SPECIAL ITEM REPORTS

##### #E297 North Summit Pressurized Irrigation Company

Chair Lemmon welcomed Mark Judd and Eric Franson.

Tom Cox gave the report. He said over the years the board has committed \$4.255 million towards a project to install a pressurized irrigation system between Wanship and Coalville. The project is substantially complete and the system has been in operation since mid-summer of last year. As construction was being finalized the contractor submitted extra claims, which went to mediation and the sponsor was required to pay the contractor an additional \$365,000. During that extended negotiation process the sponsor also incurred extra legal and engineering costs. The sponsor is requesting additional funds to help pay these extra costs.

Mark Judd said they didn't anticipate returning to the board, but would appreciate the board's consideration. Part of the extra costs have been paid with retainage funds they had. The system has been in service and is working very well.

Dave Humphreys made the motion to amend the contract to provide an additional \$230,000 of the project cost, up to \$4,485,000, out of the Conservation and Development Fund, to be purchased at 1% interest over 34 years with annual payments of approximately \$156,300. Stew Paulick seconded the motion, which passed unanimously.

##### #E327 Holmes Creek Irrigation Company

Dave Humphreys said the sponsor could not get the financial support it needed and would like to withdraw its application. Mr. Humphreys moved to withdraw; Norm Johnson seconded and all were in favor.

### #C047 Ouray Park Irrigation Company

Gawain Snow said this is to move dam safety project funding to the Revolving Construction Fund. Tom Cox said the board authorized a dam safety grant of \$968,000, to be given when funds were available, and the monies from the grant will be used to pay off the Conservation and Development Fund loan.

Mr. Snow moved to commit \$107,000 in loan funds from the Revolving Construction Fund, to be returned at 0% interest over 19 years with annual payments of approximately \$5,500 for the first 18 years and the balance being paid the final year. He moved to also authorize a dam safety grant of 90% of the project cost up to \$968,000. Steve Farrell seconded the motion, which passed unanimously.

### LAKE POWELL PIPELINE REPORT

Bill Leeftang said MWH, Americas is working diligently on collecting public comments and incorporating them into the final study reports. They will be submitted with the license application to the Federal Energy Regulatory Commission by the end of April. The draft Class III Cultural Resources Report was delivered to the Bureau of Land Management and tribes and comments will be received until May 29.

### MWH AMERICAS, INC. CONTRACT AMENDMENT

Bill Leeftang said they have received a proposed contract amendment from MWH, Americas requesting \$1,645,577 additional to complete the final tasks necessary to address the Arizona and Utah state historical preservation offices' comments on the Cultural Resources report, which were required by the Bureau of Land Management. These requirements included: 1) field surveys of private lands in the two states; 2) a resurvey of previously recorded sites that were not evaluated; 3) a resurvey of "isolated occurrences"; 4) data compilation and analysis; and 5) report preparation and additions.

Blaine Ipson moved to approve a contract amendment with MWH Americas, Inc. to address additional tasks requested by the SHPO offices of Arizona and Utah, and required by the BLM, and provide an additional \$1,645,577. Stew Paulick seconded the motion and all were in favor.

### CONSERVATION UPDATE

Chair Lemmon said they were pleased to have Ron Thompson from Washington County Water Conservancy District (WCWCD) attend. Mr. Thompson addressed the board and thanked them for coming down to the Water Users Workshop meetings. He then gave a presentation about WCWCD's conservation plan, saying that they were the first water conservancy district in Utah to develop a conservation plan. They have an extensive public education program in the schools, provide water audits, have enacted watering and landscape ordinances, and have achieved a 26% reduction in water use from 2000-2010. Their residential use is one of the lowest in the state. Driving through the communities shows how landscaping has changed and new construction is

becoming much, much better at outdoor landscaping, as well as many businesses and church properties.

The district thinks it is making great strides with conservation. There is a long list of things being worked on, including rebates and conservation education programs, as well as two magnificent conservation gardens for public education. They are well done, and fit the area and habitat. The public can look up how to plan landscapes and implement changes. They are getting thousands of visitors. The water that goes through the garden by their office is Virgin River water and it is then used to water parks and schools after flowing through the garden ponds. There is a viewing area that is very beautiful.

Mr. Thompson also explained some of the financial aspects of the conservancy district.

He thanked the board for all it does, and said there is no part of what government does that benefits the citizens of Utah better than what the board does.

Meeting adjourned at 3:12.