

Approved

BOARD OF WATER RESOURCES MEETING

MINUTES

August 11, 2016

Department of Natural Resources
Auditorium
1594 W. North Temple
Salt Lake City, Utah

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SUMMARY OF BOARD ACTIONS

1. Minutes from the June 23, 2016 meeting were approved Page 1
2. The Board voted to authorize the project for East Wanship Irrigation Company, to be purchased at 0% interest over 30 years with annually payments of \$20,500. Page 1
3. The Board voted to authorize the project for Blanding Irrigation Company, to be purchased at 0% interest over 25 years with annual payments of approximately \$16,200. Page 1
4. The Board voted to authorize the project for Scipio Irrigation Company, to be purchased at 1% interest over 25 years with annual payments of \$77,200. Page 2
5. The Board voted to commit funds in the amount of \$315,000 to the project for Beaver City, with the bonded indebtedness to be returned over 15 years at 0% interest with payments of approximately \$23,000 (includes reserves). Page 2
6. The Board voted to commit 53% of the project cost for Moon Lake Water Users Association, up to \$403,000, to be purchased at 0% interest over approximately 15 years with annual payments of \$26,900. Page 2
7. The Board voted to commit funds from the Revolving Construction Fund in the amount of \$986,000 to the project for Lower Marion Pipeline Company, to be purchased at 0% interest over 24 years with annual payments of approximately \$41,100. Page 3
8. The application for the Co-op Farm Irrigation Company, Inc. was withdrawn from further consideration by the Board. Page 3
9. The Board committed an additional \$134,500 to the work at Silver Lake Flat Dam by increasing the dam safety grant to \$1,615,000. Page 3
10. The Board committed an additional \$488,000 to the work at Tibble Fork Dam by increasing the dam safety grant to \$2,000,000. Page 3
11. The Board committed dam safety grant funds of up to \$788,000 to the work at Battle Creek Dam, with the understanding that some of the proposed items may not be included and the grant would be proportionately reduced. Page 4
12. The Board committed dam safety grant funds of up to \$638,000 to the work at Grove Creek Dam, with the understanding that if any of the proposed items are not included the board's grant will be reduced. Page 4
13. The board approved an additional payment of \$126,647 to the Bureau of Reclamation to complete its contracted work on the Lake Powell Pipeline. Page 4

THOSE PRESENT

The Utah BOARD OF WATER RESOURCES met in regular session on Thursday, August 11, 2016 at the Department of Natural Resources, 1594 W. North Temple, Salt Lake City, Utah. Chairman James Lemmon presided over the 1:00 p.m. meeting.

BOARD MEMBERS PRESENT:

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

STAFF MEMBERS PRESENT:

Eric Millis, Director
Bill Leeflang, Assistant Director
Barbara Allen, Secretary
Randy Staker, Accounting Officer
Shalaine DeBernardi, Finance Officer
Joel Williams, Chief of Investigations
Tom Cox, Senior Engineer
Russell Hadley, Senior Engineer
Marisa Egbert, Senior Engineer
Jaqueline Pacheco, Engineer
Ben Marett, Engineer
Dave Cole, Chief, Hydrology and Computer Applications
Candice Hasenyager, Hydrology and Computer Applications
Todd Stonely, Chief of Planning
Ann Merrill, Water Education and Conservation
Joshua Palmer, Public Information Officer
Carmen McDonald, Engineer Technician
Paul Gedge, DTS

OTHERS PRESENT:

D.A. Pace, East Wanship Irr. Co.
Michelle Williams, East Wanship Irr. Co.
Louise Pace, East Wanship Irr. Co.
Bryce Wilcox, J-U-B Engineers
Shane Shumway, Blanding Irr. Co.
Scoot Flannery, Jones & DeMille Engineering
Bruce Lyman, Blanding Irr. Co.
Dallen Quarnberg, Scipio Irr. Co.
Lee Monroe, Scipio Irr. Co.

Layne Jensen, Franson Civil Engineers
Jack Clegg, Lower Marion Pipeline Co.
Kent Peterson, Lower Marion Pipeline Co.
Bryce Wilcox, Lower Marion Pipeline Co.
Hunt Willoughby, North Utah County WCD
John Jacobs, North Utah County WCD
Brad Price, RB&G Engineering
Andrew Hobson, Carollo Engineers
Jade Snyder, Carollo Engineers
Willie Kent, Carollo Engineers
Paul Blanchard, Northwest Pipe Co.
Jonathan Parry, Weber Basin WCD

MINUTES OF THE
BOARD OF WATER RESOURCES MEETING
August 11, 2016

Chair Jim Lemmon called the meeting to order at 1:00 p.m. and welcomed everyone.

APPROVAL OF MINUTES

Norman Johnson made a motion to approve the minutes from the June 23, 2016 board meeting. Gawain Snow seconded the motion, which passed unanimously.

DISCUSSION OF PROJECTS

FEASIBILITY REPORTS

#E-379 East Wanship Irrigation Company

DA Pace, Michelle Williams, Louise Pace, and Bryce Wilcox were introduced.

Jaqueline Pacheco gave the report. The project is to replace 3.2 miles of open ditch with 16-inch pressurized pipe. The project will save approximately 915 acre-feet of water lost to seepage.

Mr. Pace asked the board if it would consider a 30-year repayment term. Michelle Williams said they were looking at a total \$70/share assessment. They are already assessing \$25/share, and to add \$70/share to that would make it hard. They want to make it economically feasible for their shareholders and a 30-year term would help quite a bit. A formal vote has not been taken on the assessment. Ms. Pacheco said annual payments at 30 years would be \$20,500, and a total annual cost share of \$95/share. Director Millis said the benefits and costs have been assessed and staff believes the 25-year term is reasonable, but the board could approve 30 years without going beyond what it is allowed to do. Ms. Williams said they realize the need for the pressurized system, but they will have to take a shareholder vote on the cost and they are trying to do the best they can for their shareholders.

Dave Humphreys made the motion to authorize the project at 0% interest over 30 years with annual payments of approximately \$20,500. Steve Farrell seconded the motion and all approved.

#E-380 Blanding Irrigation Company

Chair Lemmon introduced Shane Shumway, Scoot Flannery, and Bruce Lyman.

Ben Marett gave the report. The project is to pipe about 5,100 feet of two company ditches. The project will save approximately 1,400 acre-feet of water.

Bruce Lyman said they will apply for a WaterSMART grant in January to continue the project. He explained the type of pipe that would be used. Scoot Flannery said the reservoir has been enlarged to 500 acre-feet, plus there is another reservoir for storing water. The 1,400 acre-feet in

water savings will be stored in about six different reservoirs. The saved water will not be used to grow more crops, just to make it possible to water the existing farmland throughout the season.

Gawain Snow moved to authorize the project, to be purchased at 0% interest over 25 years with annual payments of approximately \$16,200. Dave Humphreys seconded the motion. Norman Johnson excused himself from the vote. The vote was unanimous with Mr. Johnson abstaining.

#E-384 Scipio Irrigation Company

Dallen Quarnberg, Lee Monroe, and Layne Jensen were welcomed to the meeting.

Tom Cox gave the report. The project is to pipe about 3.5 miles in the Ivie Creek section of the sponsor's system. About 1,700 acre-feet will be conserved.

Dallen Quarnberg requested the board consider a term of 25 years to lower the annual repayment to make it more feasible for the company. They are a relatively small company and cannot accommodate the suggested repayment.

Blaine Ipson moved to authorize the project, to be purchased at 1% interest over 25 years with annual payments of \$77,200. Stew Paulick seconded and all were in favor.

COMMITTAL OF FUNDS

#L-575 Beaver City

Russell Hadley gave the report, and said the cost estimate and sharing remain the same as authorized.

Blaine Ipson made a motion to commit funds of \$315,000, with the bonded indebtedness to be returned at 0% interest over 15 years with annual payments of approximately \$23,000 (includes reserves). Steve Farrell seconded the motion, which passed unanimously.

#E-362 Moon Lake Water Users Association

Marisa Egbert gave the report. The project is to install a geomembrane liner with shotcrete cover. The cost estimate and sharing remain as authorized.

Gawain Snow said this is a good project and moved that the board commit 53% of the project cost up to \$403,000, to be purchased at 0% interest over 15 years with annual payments of \$26,900. Blaine Ipson seconded the motion, which passed unanimously.

#E-367 Lower Marion Pipeline Company

Chair Lemmon introduced Jack Clegg, Kent Peterson, and Bryce Wilcox.

Joel Williams gave the report and said the project has changed somewhat since authorization. A new company has been formed, and the project is now somewhat smaller at 3.7 miles of pipeline. The costs are reduced and that will allow the funding to come out of the Revolving Construction Fund. The sponsor has received a \$1 million WaterSMART grant.

Mr. Peterson said individually-held water rights will be pledged in support of the project. The water rights will be transferred to the company and it will then issue shares to the individuals. The hydropower plant is still part of the design, but they have not yet got a contract to sell the power. The ones who don't want the project will still use the ditch system. This project will be built in the lower ditch; the upper ditch farmers will suffer the water loss.

Dave Humphreys made a motion to commit funds from the Revolving Construction Fund in the amount of \$986,000, and the project be purchased at 0% interest over 24 years with annual payments of approximately \$41,100. Gawain Snow seconded and all were in favor.

SPECIAL ITEM REPORT

Dave Humphreys moved to withdraw the application from the Co-op Irrigation Company. Gawain Snow seconded the motion. None opposed.

DAM SAFETY FUNDING

North Utah County Water Conservancy District

#C-048 Silver Lake Flat Dam

#C-052 Tibble Fork Dam

#C-053 Battle Creek Dam

#C-053 Grove Creek Dam

Chair Lemmon welcomed Hunt Willoughby, John Jacobs, and Brad Price.

Tom Cox gave the four reports. The sponsor owns and operates five NRCS dams in northern Utah County. Plans are currently underway to upgrade all five dams to current dam safety standards.

Silver Lake Flat Dam work was sufficient last fall to begin filling, but this spring some seepage was noted in certain areas of the dam. The Office of Dam Safety is requiring a blanket be placed to address that issue. The sponsor is requesting an additional \$134,000 in dam safety funds for the work, which is being done at this time.

Steve Farrell made the motion to commit an additional \$134,500 by increasing the dam safety grant to \$1,615,000. Dave Humphreys seconded the motion; motion carried.

Tibble Fork Dam bids came in much higher than anticipated plus there was an oversight in the previous funding request. The sponsor is requesting additional dam safety grant funds in the amount of \$488,000 to finish the project.

Hunt Willoughby said they received five bids, four of which were within \$300,000 of each other, so it was a good competitive bid. Work started the first part of June and they are making good progress. The NRCS is committed to its portion of the additional needed funding.

Steve Farrell made the motion to commit an additional \$488,000 by increasing the dam safety grant to \$2,000,000. Blaine Ipson seconded the motion; motion carried.

Battle Creek Dam. Mr. Cox gave the report. John Jacobs said 60% plans have been prepared for this debris basin upgrade; there may be changes to the design on the spillway that will reduce costs. Work will begin hopefully in the coming spring.

Steve Farrell moved to commit dam safety grant funds of up to \$788,000, with the understanding that some of the proposed items may not be included and the grant would be proportionately reduced. Gawain Snow second the motion; motion carried.

Grove Creek Dam. Tom Cox gave the report. John Jacobs said they have been prudent in anticipating these projects and have set funds aside for them. They are confident going forward. The driving force is that the NRCS grant is available now and might not be in the future. The NRCS is paying for all the engineering.

Steve Farrell moved to commit dam safety grant funds of up to \$638,000, with the understanding that if any of the proposed items are not included the board's grant will be proportionately reduced. Gawain Snow seconded the motion; motion carried.

Mr. Willoughby thanked the board for its help.

Chair Lemmon welcomed Andrew Hobson, Jade Snyder, Willie Kent, Paul Blanchard, and Jonathan Parry to the meeting.

LAKE POWELL PIPELINE REPORT

Bill Leeftang said the Federal Energy Regulatory Commission (FERC) has requested clarification and additional information for the Lake Powell Pipeline application, to be submitted within the next 90 days. The Cultural Resources report is ongoing. FERC will begin preparing the draft Environmental Impact Statement after it issues the Notice of Ready for Environmental Analysis in early 2017. A tour of the pipeline for FERC officials will be held in September. Meetings are being scheduled with the tribes and the discussions will be documented in the Ethnographic Resources study report. Quarterly meetings with associated Department of Interior agencies will begin in September to coordinate and facilitate cooperative needs and work. The Army Corps of Engineers is reviewing the Section 404 Permit application for the pipeline drainage crossings, with a site visit scheduled for September.

Mr. Leeftang asked the board to approve an additional payment of \$126,647 to the Bureau of Reclamation to complete its contracted work. The work is to be completed by the end of Fiscal Year 2018. Norm Johnson moved to approve the additional funding; Stew Paulick seconded the motion and all were in favor.

WATER USE AND CONSERVATION REPORT

Director Millis introduced Ann Merrill, who works in the division's Water Conservation and Education Section and is responsible for collecting and evaluating submitted water use data. In the past the division has summarized that information for future water planning use every five years; however, because of the recent audit the division is now required to summarize the data each year. Staff is working hard to meet that goal.

Ms. Merrill explained the process of collecting municipal and industrial water use data. A list of water suppliers and systems in the state is used to see which entities have submitted a data collection form for approval. Those that have not submitted the form or have submitted it incorrectly have to be contacted personally. Many problems are encountered and have to be dealt with. In many instances secondary water use is not even collected. Many people do not realize how important this data is for use in water planning. The deadline for having all the systems' information is August 31, a tight schedule. Out of 494 water systems only 200 have submitted forms that are acceptable, so there are a lot of calls to make. The goal is to streamline the process to get accurate data every year and have a better idea of actual water use in Utah. The process will hopefully become easier as people are educated and see the importance of filling out the forms. Rural Water Users and the conservancy districts are helping with that. She said the division has always done its best to get reliable data, but there is a need to educate the communities on what is needed and how important it is.

DIRECTOR'S REPORT

Director Millis said the division has been working with the state Water Development Commission and its staff to work through the requirements of SB251 that address items in the audit from last year. The division is also in the process of updating the rules for the Water Infrastructure Restricted Account (WIRA) in accordance with these requirements. There needs to be a third party that can look at the water data collected and the projections being made, and state an opinion on the accuracy of those as well as any recommendations for improvement. He said we have a goal to make the numbers the very best we can, and education of the water suppliers is a very important part of that. The data are as valuable for them as for us, helping us all to look at water conservation goals for the various regions of the state. With the data, conservation goals can be tailored to local situations and needs. For one example, the water district in one area with unmetered secondary water has now started putting meters on new systems. Just having the actual amount of water used shown on water bills has resulted in people wasting much less water. In areas within the Lake Powell Pipeline scope, the local people have already met the 25% statewide reduction goal and have been pushed out for a 35% reduction goal. In other areas that may not be quite as aggressive, but goals can be worked through individually. With a third party contractor we can also look at project funds coming out of the WIRA for repair and replacement projects, review the finance plans for these projects, and have public involvement opportunities.

Mr. Millis said it has stayed hot and dry this summer, except for areas in southern Utah. Utah Lake has been in the news; the algal bloom has impacted water use and health people have said not to use the water even for irrigation. Now the lake has reached compromised levels, with

some secondary rights users to possibly be cut off. Apparently, some water has been found to help them irrigate through the end of the year. We hope for bad weather – at least wet weather to help us get through this drought.

David Cole will be retiring at the end of this month, and Bill Leeflang will be retiring the first of October. These people have contributed much to the State of Utah and we thank them for that.

Chair Lemmon also expressed appreciation for their service.

Meeting adjourned at 2:16 p.m.