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A G E N D A

UTAH BOARD OF WATER RESOURCES

Department of Natural Resources

Auditorium

1594 W. North Temple

Salt Lake City, Utah

May 10, 2018

1:00 p.m.

1. CALL TO ORDER
2. APPROVAL OF MINUTES – March 21, 2018
3. WATER SUPPLY REPORT
4. COMMITMENT OF FUNDS REPORT
E407 Muddy Creek Irr. Co. County
Emery
5. SPECIAL ITEM REPORTS
E308 Summit Creek Irr. & Canal Co. (Amendment) Utah
E398 Haight Creek Irr. Co. (Withdrawal) Davis
6. LAKE POWELL PIPELINE REPORT
7. BEAR RIVER DEVELOPMENT
Agreement with Utah Transit Authority
9. WATER CONSERVATION REPORT
10. DIRECTOR'S REPORT
11. ADJOURNMENT

BRIEFING MEETING AGENDA

UTAH BOARD OF WATER RESOURCES

Division of Water Resources
Room 314
1594 W. North Temple
Salt Lake City, Utah

May 10, 2018

10:30 a.m.

- I. WELCOME/CHAIR'S REPORT Chairman Holmgren

- II. DISCUSSION OF PROJECTS

- III. INFORMATION TO THE BOARD

- IV. OTHER ITEMS

BOARD OF WATER RESOURCES

REVOLVING CONSTRUCTION FUND

**Funding Status
May 10, 2018**

Funds Available for Projects This FY \$ 16,239,000

Projects Contracted This FY

| | | | |
|--|-------|---------|----------------|
| 1 Baker Reservoir Co (Baker) (Add'l Funds) | C046 | **Grant | \$ 78,055 |
| 2 Bear River Canal Co | E377 | | 241,000 |
| 3 Center Creek Irrigation Co | C055 | **Grant | 416,000 |
| 4 Center Creek Irrigation Co | C055 | **Loan | 46,000 |
| 5 Davis & Weber Counties Canal Co | E404 | | 975,000 |
| 6 DMAD Company (Add'l Funds) | C0310 | **Grant | 250,000 |
| 7 Koosharem Irrigation Co | C058 | **Grant | 300,000 |
| 8 Main Creek Irrigation Co | E397 | | 141,000 |
| 9 North Utah County WCD (Battle Creek) | C053 | **Grant | 788,000 |
| 10 North Utah County WCD (Grove Creek) | C054 | **Grant | 638,000 |
| 11 Rock Point Canal & Irrigation Co | E368 | | 615,000 |
| 12 Spanish Fork South Irrigation Co | E382 | | 946,000 |
| 13 Woodruff Irrigating Co | E392 | | <u>395,000</u> |

| | | | |
|------------------------|--|--|---------------|
| Total Funds Contracted | | | \$ 5,829,000 |
| Funds Balance | | | \$ 10,410,000 |

Projects with Funds Committed

| | | | |
|---|------|---------|---------------|
| 1 Blanding Irrigation Co | E380 | | \$ 264,000 |
| 2 Davis & Weber Counties Canal Co | E404 | | 975,000 |
| 3 Echo Ditch Co | E390 | | 467,000 |
| 4 Marion Waterworks Co | E322 | | 247,000 |
| * 5 Muddy Creek Irrigation Co (Moore) | E407 | | 1,000,000 |
| 6 Rockville Town Ditch Co | E313 | | 145,000 |
| 7 Washington County Flood Contr. Auth. (Gypsum) | C051 | **Grant | 244,125 |
| 8 Washington County Flood Contr. Auth. (Warner) | C049 | **Grant | 212,000 |
| 9 Washington County Flood Contr. Auth. (Stucki) | C050 | **Grant | <u>88,400</u> |

| | | | |
|-----------------------|--|--|--------------|
| Total Funds Committed | | | \$ 3,643,000 |
| Funds Balance | | | \$ 6,767,000 |

Projects Authorized

| | | | |
|----------------------------------|------|--|----------------|
| 1 Burns Bench Irrigation Co | E395 | | \$ 504,900 |
| 2 Deseret Irrigation Co | E406 | | 999,000 |
| 3 Silver Creek Reservoir Co | E381 | | 500,000 |
| 4 Pioneer Canal Co | E403 | | 240,000 |
| 5 Uintah Basin Irrigation Co | E402 | | 271,000 |
| 6 West Porterville Irrigation Co | E401 | | <u>971,000</u> |

| | | | |
|---------------------------|--|---|--------------|
| Total Funds Authorized | | | \$ 3,486,000 |
| Remaining Funds Available | | # | \$ 3,281,000 |

* To be presented at Board Meeting

₁ End of year balance if all listed projects were fully paid

** Dam Safety Projects

BOARD OF WATER RESOURCES

CITIES WATER LOAN FUND

Funding Status
May 10, 2018

Funds Available for Projects This FY \$ 9,778,000

Bonds Closed This FY

| | | | |
|--------------------------------------|------|------------------|--------------|
| 1 Powder Mountain Water & Sewer Dist | E391 | <u>1,265,000</u> | |
| Total Bonds Closed | | | \$ 1,265,000 |
| Funds Balance | | | \$ 8,513,000 |

Projects with Funds Committed

| | | | |
|-----------------------------------|------|--------------|--------------|
| 1 West Warren and Warren Water ID | E387 | \$ 1,800,000 | |
| Total Funds Committed | | | \$ 1,800,000 |
| Funds Balance | | | \$ 6,713,000 |

Projects Authorized

| | | | |
|---------------------------|--|--|----------------|
| 1 None | | | |
| Total Funds Authorized | | | \$ - |
| Remaining Funds Available | | | # \$ 6,713,000 |

* To be presented at Board Meeting

End of year balance if all listed projects were fully paid

BOARD OF WATER RESOURCES

CONSERVATION & DEVELOPMENT FUND

**Funding Status
May 10, 2018**

Funds Available for Projects This FY \$ 61,634,000

Projects Contracted/Bonds Closed This FY

| | | |
|--|------|---------------------|
| 1 Central Utah WCD | E399 | \$ 5,950,000 |
| 2 Richmond Irrigation Co (Add'l Funds) | E347 | 330,000 |
| 3 Scipio Irrigation Co | E384 | <u>1,700,000</u> |
| Total Funds Contracted/Closed | | <u>\$ 7,980,000</u> |
| Funds Balance | | \$ 53,654,000 |

Projects with Funds Committed

| | | |
|----------------------------|------|---------------------|
| 1 Santaquin City | L579 | 3,441,000 |
| 2 Whiterocks Irrigation Co | E375 | <u>\$ 1,785,000</u> |
| Total Funds Committed | | <u>\$ 5,226,000</u> |
| Funds Balance | | \$ 48,428,000 |

Projects Authorized

| | | |
|--|--------|----------------------|
| 1 Benson Irrigation Co | E378 | \$ 1,424,000 |
| 2 Box Elder Cnty & Perry City Flood Control Dist | E369 | 660,000 |
| 3 Brooklyn Canal Co | E223 | 1,000,000 |
| 4 Fremont Irrigation Co | E279 | 8,177,000 |
| 5 Haight Creek Irrigation Co | E398 | 288,000 |
| 6 Muddy Creek Irrigation Co (Emery) | E405 | 1,671,000 |
| 7 Settlement Canyon Irrigation Co (Phase 2) | E240R2 | 552,500 |
| 8 Summit Creek Irrigation and Canal Co (Phase 4) | E308 | 1,198,000 |
| 9 Uintah WCD | E316 | 36,550,000 |
| 10 Weber Basin WCD (Phase 5+) | E225R5 | 7,000,000 |
| 11 Weber-Box Elder Cons Dist | E400 | 1,687,000 |
| 12 Woodruff Irrigating Co | E365 | <u>3,200,000</u> |
| Total Funds Authorized | | <u>\$ 63,408,000</u> |
| Remaining Funds Available | | # \$ (14,980,000) |

* To be presented at Board Meeting

End of year balance if all listed projects were fully paid

BOARD OF WATER RESOURCES

May 10, 2018

ADDITIONAL FUTURE FUNDING NEEDS

| Sponsor | No. | Fund | Est. Board Cost | Total Cost |
|---|---------|------|-----------------|---------------|
| 1 Sanpete WCD (Narrows Dam) | D377 | C&D | \$ 29,325,000 | \$ 34,500,000 |
| 2 Kane County WCD | D828 | C&D | 1,500,000 | 2,000,000 |
| 3 Hooper Irrigation Co (Press Irr, Ph 3+) | E060R3+ | C&D | 11,033,000 | 12,980,000 |
| 4 Fremont Irrigation Co | E131 | C&D | 1,500,000 | 2,000,000 |
| 5 Weber Basin WCD | E312 | C&D | 85,000,000 | 100,000,000 |
| 6 Ferron Canal & Reservoir Co | E320 | C&D | 2,720,000 | 3,200,000 |
| 7 Wellsville-Mendon Conservation District | E364 | C&D | 680,000 | 800,000 |
| 8 Highline Canal Co | E372 | C&D | 3,087,000 | 13,942,000 |
| 9 Ashley Upper Irrigation Co | E373 | C&D | 5,255,000 | 13,942,000 |
| 10 Mosby Irrigation Co | E374 | RCF | 331,000 | 4,379,000 |
| 11 O.T. Hicken Ditch Co | E383 | RCF | 430,000 | 990,000 |
| 12 Woodruff Irrigating Co | E385 | C&D | 5,000,000 | 6,885,000 |
| 13 Koosharem Irrig Co (Dam Safety Grant/Loan) | C058 | RCF | 2,000,000 | 2,000,000 |
| 14 Glendale Irrigation Co | E408 | C&D | 1,109,000 | 196,000 |
| * 15 Glenwood Town (NRCS Dam Safety Grant) | C056 | RCF | 969,000 | 3,568,000 |
| * 16 Daniel Town | L580 | CWL | 1,505,000 | 2,021,000 |
| * 17 Moon Lake WUA (Dam Safety Grant) | C059 | RCF | 180,000 | 20,000 |
| * 18 Davis & Weber Counties Canal Co. (Secondary) | E409 | C&D | 2,500,000 | 2,941,000 |
| * 19 Davis & Weber Counties Canal Co. (Canal) | E410 | RCF | 995,000 | 2,500,000 |
| Subtotal | | | \$147,861,000 | \$197,618,000 |

* New Application

INACTIVE PROJECTS

Long Term Large Water Conservation Projects

| | |
|--|------|
| 1 Wayne County WCD | D494 |
| 2 Cedar City Valley Water Users | D584 |
| 3 Bear River WCD | D738 |
| 4 Central Utah WCD (Prepay FY98,99,00) | D960 |

Applicant: **Muddy Creek Irrigation Company**

Project Number: E407
Fund: Revolving Construction Fund
Total Cost: \$4,800,000

Application Received: 1/12/2018
Authorized: 3/21/2018
Board Meeting Date: 5/10/2018

Board Member: Norman L. Johnson
Project Manager: Jaqueline Pacheco

Project Summary: The purpose of the project is to extend the existing pipeline from Muddy Creek an additional 4.1 miles and install a regulating pond to reduce the high water table and the subsequent salt loading.

Recommendation: Staff recommends the board commit 20.8% of the project cost up to \$1,000,000, and the project be purchased at 0% interest over 20 years with annual payments of approximately \$50,000.

Project Contacts:

President:
Morris Sorenson
P.O. Box 104
Emery, UT 84522
435-749-7028

Secretary:
Abbie Christiansen
P.O. Box 5
Emery, UT 84522
438-609-7181

Engineer:
Bradey Wilde - Jones & DeMille
Engineering
1535 S 100 W
Richfield, UT
800-748-5275



Location

The proposed project is located approximately three miles north of Emery Town in Emery County.

Project Summary

Muddy Creek Irrigation Company has been in operation since 1886, and was incorporated in 1964. The applicant serves approximately 107 shareholders, owning 5,640 shares and irrigating 7,800 acres. Each share equals four acre-feet. The shareholders are divided into the Emery Series (west distribution area) and the Moore Group Independent Canal (east distribution area) with 93 and 14 shareholders, respectively. This project will directly benefit the Emery Series.

The 5,300 acres of the Emery Series are currently flood-irrigated and the project will enable conversion to sprinkle irrigation. The limited storage facilities, runoff patterns, and water loss through seepage result in inadequate irrigation water supply to shareholders. The purpose of the project is to extend the existing 6.3 mile pipeline from Muddy Creek an additional 4.1 miles and install regulating ponds, pipes, and sprinkler systems for local farms to reduce the high water table and the subsequent salt loading. On-farm sprinkler irrigation installation costs will be associated with another phase of the project.

Cost Estimate & Sharing

The cost estimate and sharing remain as authorized:

| Agency | Authorized Cost Sharing | % of Total |
|------------------------------|-------------------------|-------------|
| Board of Water Resources | \$1,000,000 | 20.8% |
| UDAF – Salinity Offset Grant | 3,600,000 | 75.0 |
| Applicant | 200,000 | 4.2 |
| TOTAL | \$4,800,000 | 100% |

Repayment

Staff recommends the board commit 20.8% of the project cost up to \$1,000,000, and the project be purchased at 0% interest over 20 years with annual payments of approximately \$50,000.

Applicant: **Summit Creek Irrigation & Canal Company**

Project Number: E308
Fund: Conservation and Development Fund
Total Cost: \$2,090,000

Application Received: 2/8/2012
Authorized: 3/14/2012
Committed: 3/16/2016 (Phase III)
Board Meeting Date: 5/10/2018

Board Member: Steve Farrell
Project Manager: Ben Maret

Project Summary: The project was delayed during well drilling and again while waiting for Rocky Mountain Power to extend service to the well house. Project delays resulted in increased costs.

Recommendation: Staff recommends the board commit an additional \$84,500 and amend the purchase agreement to state the board will provide 85% of the project cost up to \$1,776,500, and the new balance be returned at 2.5% interest over 24 years with annual payments of approximately \$95,000, beginning December 1, 2018.

Project Contacts:

President:
Philip B Rowley
901 S. 300 W.
Santaquin, UT 84655
801-318-8257

Secretary:
Tod Rowley
901 S. 300 W.
Santaquin, UT 84655
801-368-0522

Engineer:
Jay Franson
1276 S. 820 E. Ste. 100
American Fork, UT 84003
801-756-0309



Location

The proposed project is located in and around Santaquin in Utah County.

Project Summary

In March 2012 the board authorized an extensive water management project for the applicant, to be completed in three phases. Work on Phases I and II has been completed, including repair of a breach in Summit Creek Dam #1, replacement of the outlet gate of Summit Creek Dam #2, piping the remaining 3,220 feet of the applicant's main canal, installing control structures, modifying about 20,000 feet of open canal, and laying approximately 3,700 feet of pipe for flood control.

Phase III of the project includes drilling a well, equipping it with a pump, and constructing a well house. In March 2016 the board committed an additional \$502,000 to the project for the implementation of the third phase. In an effort to save costs, the applicant opted to drill the well without first drilling a test hole. While the well was being drilled, there were a number of problems that delayed its completion. After a pump test demonstrated the capacity of the well to be around 1,700 gpm, board funds for the project were released to the applicant.

After the pump test was successfully completed, the well driller, applicant, and engineer agreed that drilling the well to a greater depth would likely increase the pumping capacity of the well. The final well was drilled to a depth of about 600 feet and was able to sustain a pumping rate of over 2,000 gpm. The project was delayed during well drilling and again while waiting for Rocky Mountain Power to extend service to the well house.

In December 2017 the first payment for Phase III of the project came due. Because the project was still under construction and the applicant had not yet realized any benefit, the board voted to delay payments for the third phase for one year, to December 2018. The applicant still made payments for Phases I and II of the project.

Since December, significant progress has been made on the project. The well house has been constructed, pumps have been installed on the well, and power has been extended to the site. Since the project has nearly reached completion, it has become clear to the applicant that the project delays have increased the overall project cost by approximately \$100,000.

To cover the increase in costs, the applicant had the option either to institute an assessment increase or to seek additional funding from the board. The applicant's assessments are based on expenses; therefore, to cover the increased project expenses the annual assessment would have to be increased significantly this year only to be decreased dramatically next year. Rather than exerting this financial burden on its shareholders, the applicant has elected to request additional funding to cover the increase in project expenses.

Cost Estimate & Sharing

The total project cost estimate has increased by \$100,000, from \$1,990,000 to \$2,090,000. The committed and proposed cost sharing are:



| Agency | Committed Cost Sharing | % of Total | Proposed Cost Sharing | % of Total |
|--------------------------|------------------------|-------------|-----------------------|-------------|
| Board of Water Resources | \$1,692,000 | 85% | \$1,776,500 | 85% |
| Applicant | 298,000 | 15 | 313,500 | 15 |
| TOTAL | \$1,990,000 | 100% | \$2,090,000 | 100% |

Purchase Agreement

The board previously committed funds to the project at 2.5% interest over 25 years with annual payments of approximately \$95,000.

Staff recommends the board commit an additional \$84,500 and amend the purchase agreement to state the board will provide 85% of the project cost up to \$1,776,500, and the new balance be returned at 2.5% interest over 24 years with annual payments of approximately \$95,000 beginning December 1, 2018.

Applicant: **Hights Creek Irrigation Company**

Project Number: E398

Fund: Conservation and Development Fund

Application Received: 4/25/2017

Authorized: 6/22/2017

Board Meeting Date: 5/10/2018

Project Manager: Todd Stonely

Project Contacts:

President:
Rodney Hill
820 E. 200 N.
Kaysville, UT 84037
801-546-4242

Location

The proposed project is located in Fruit Heights in Davis County.

Summary

In April 2017 the applicant requested financial assistance from the board to install secondary meters, upgrade pipes and valves, and add a hydroelectric turbine on the inlet to Green Road Reservoir. Since then, the applicant decided to downsize the hydroelectric turbine, which reduced the overall cost of the project to the point that the applicant no longer needs funds from the board.

Staff therefore recommends the project be withdrawn from further consideration by the board.

Applicant: **Davis & Weber Counties Canal Company**

Project Number: E409
Fund: Conservation and Development Fund
Cost Estimate: \$2,941,000

Application Received: 4/13/2018
Board Meeting Date: 5/10/2018

Board Member: Kyle Stephens
Project Manager: Tom Cox

Project Contacts:

| | | |
|---|---|---|
| President: Scott Paxman 138 W. 1300 N. Sunset, UT 84015 801-771-1677 | Manager: Rick Smith 138 W. 1300 N. Sunset, UT 84015 801-774-6373 | Engineer: Bryce Wilcox, JUB Engineers 466 N. 900 W. Kaysville, UT 84037 801-547-0393 |
|---|---|---|

Location

The proposed project is located in Clinton and Sunset in Davis County.

Proposed Project

The applicant is requesting financial assistance from the board to install a 42 inch parallel transmission line to meet growing secondary irrigation demands.

Water Rights

The Board holds title to 21 of the applicant's major water rights from previous projects.



Applicant: **Davis & Weber Counties Canal Company**

Project Number: E410
Fund: Revolving Construction Fund
Cost Estimate: \$2,500,000

Application Received: 4/13/2018
Board Meeting Date: 5/10/2018

Board Member: Kyle Stephens
Project Manager: Tom Cox

Project Contacts:

| | | |
|---|---|---|
| President: Scott Paxman 138 W. 1300 N. Sunset, UT 84015 801-771-1677 | Manager: Rick Smith 138 W. 1300 N. Sunset, UT 84015 801-774-6373 | Engineer: Bryce Wilcox, JUB Engineers 466 N. 900 W. Kaysville, UT 84037 801-547-0393 |
|---|---|---|

Location

The proposed project is located in Clearfield in Davis County.

Proposed Project

The applicant is requesting financial assistance from the board to enclose 3,220 feet of unlined canal in dual 66-inch reinforced concrete pipes.

Water Rights

The Board holds title to 21 of the applicant's major water rights from previous projects.

BOARD OF WATER RESOURCES

Application Summary



Applicant: **Daniel Town**

Project Number: L580
Fund: Cities Water Loan Fund
Cost Estimate: \$2,021,000

Application Received: 3/30/2018
Board Meeting Date: 5/10/2018

Board Member: Steve Farrell
Project Manager: Marisa Egbert

Project Contacts:

Mayor:
Chip Turner
1375 S. Daniels Rd. #8
Heber City, UT 84032
435-654-5062

Secondary Contact:
Mary Snyder
1375 S. Daniels Rd. #8
Heber City, UT 84032
435-654-5062

Engineer:
Ryan Taylor, GDA Engineers
2211 W. 3000 S.
Heber, UT 84032
435-315-3168

Location

The proposed project is located in the Town of Daniel in Wasatch County.

Proposed Project

The applicant is requesting financial assistance from the board to replace an existing well, construct a new storage tank, and install the associated piping.

Water Rights

- 55-8504