

Board of Water Resources Board Meeting

Salt Lake City
May 14, 2020



PLAN



CONSERVE



DEVELOP



PROTECT



UTAH BOARD OF WATER RESOURCES

May 14, 2020

MINUTES

April 9, 2020 Virtual Meeting

2020 Calendar

| January | | | | | | | February | | | | | | | March | | | | | | | April | | | | | | |
|---------|----|----|----|----|----|----|----------|----|----|----|----|----|----|-------|----|----|----|----|----|----|-------|----|----|----|----|----|----|
| S | M | T | W | T | F | S | S | M | T | W | T | F | S | S | M | T | W | T | F | S | S | M | T | W | T | F | S |
| | | | 1 | 2 | 3 | 4 | | | | | | 1 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | | | 1 | 2 | 3 | 4 | |
| 5 | 6 | 7 | 8 | 9 | 10 | 11 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| 12 | 13 | 14 | 15 | 16 | 17 | 18 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 12 | 13 | 14 | 15 | 16 | 17 | 18 |
| 19 | 20 | 21 | 22 | 23 | 24 | 25 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 19 | 20 | 21 | 22 | 23 | 24 | 25 |
| 26 | 27 | 28 | 29 | 30 | 31 | | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 29 | 30 | 31 | | | | | 26 | 27 | 28 | 29 | 30 | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| May | | | | | | | June | | | | | | | July | | | | | | | August | | | | | | |
|-----|----|----|----|----|----|----|------|----|----|----|----|----|----|------|----|----|----|----|----|----|--------|----|----|----|----|----|----|
| S | M | T | W | T | F | S | S | M | T | W | T | F | S | S | M | T | W | T | F | S | S | M | T | W | T | F | S |
| | | | | | 1 | 2 | | 1 | 2 | 3 | 4 | 5 | 6 | | | | 1 | 2 | 3 | 4 | | | | | | | 1 |
| 3 | 4 | 5 | 6 | 7 | 8 | 9 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 10 | 11 | 12 | 13 | 14 | 15 | 16 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| 17 | 18 | 19 | 20 | 21 | 22 | 23 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| 24 | 25 | 26 | 27 | 28 | 29 | 30 | 28 | 29 | 30 | | | | | 26 | 27 | 28 | 29 | 30 | 31 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | |
| 31 | | | | | | | | | | | | | | | | | | | | | 30 | 31 | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| September | | | | | | | October | | | | | | | November | | | | | | | December | | | | | | | |
|-----------|----|----|----|----|----|----|---------|----|----|----|----|----|----|----------|----|----|----|----|----|----|----------|----|----|----|----|----|----|---|
| S | M | T | W | T | F | S | S | M | T | W | T | F | S | S | M | T | W | T | F | S | S | M | T | W | T | F | S | |
| | | | | | | | | | | | 1 | 2 | 3 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | | | 1 | 2 | 3 | 4 | 5 |
| 6 | 7 | 8 | 9 | 10 | 11 | 12 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | |
| 13 | 14 | 15 | 16 | 17 | 18 | 19 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | |
| 20 | 21 | 22 | 23 | 24 | 25 | 26 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | |
| 27 | 28 | 29 | 30 | | | | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 29 | 30 | | | | | | 27 | 28 | 29 | 30 | 31 | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

2020 Board Meeting Schedule

- May 14 - Virtual
- June 18 - Salt Lake City
- August 6 - Salt Lake City
- October 8 - Board Tour – TBA
- December 3 - Salt Lake City

AGENDAS

Agenda
Utah Board of Water Resources
Board Briefing Meeting

May 14, 2020
Virtual/Electronic
10:00 am

- I. WELCOME/CHAIR'S REPORT
*Chair Blain Ipson

- II. DISCUSSION OF BOARD AGENDA ITEMS
(See Board Meeting Agenda)

- III. INFORMATION TO THE BOARD

- IV. OTHER ITEMS TO DISCUSS

Agenda
Utah Board of Water Resources
Board Meeting

May 14, 2020

10:00 AM Briefing

1:00 PM Board Meeting

(Electronic Meeting)

Link to presentations and public comment form:

<https://water.utah.gov/comments/>

Livestream Links:

Briefing Meeting: <https://youtu.be/S7uJXjbRYqQ>

Board Meeting: <https://youtu.be/uBtk3TUNrEq>

APPROVAL OF MINUTES

NRCS SNOW REPORT:

| <u>Proj. No.</u> | <u>Applicant</u> | <u>County</u> | <u>Proj. Manager</u> |
|-------------------------|-------------------------|----------------------|-----------------------------|
|-------------------------|-------------------------|----------------------|-----------------------------|

FEASIBILITY REPORTS:

| | | | |
|-------|--------------------------------|-------|-----------|
| RE433 | West Cache Irrigation Company | Cache | Russell |
| RE436 | Muddy Creek Irrigation Company | Emery | Jaqueline |

COMMITTAL OF FUNDS:

| | | | |
|-------|--|-------|-----|
| RE430 | Weber Basin Water Conservancy District | Weber | Ben |
|-------|--|-------|-----|

SPECIAL ITEMS:

| | | | |
|-------|--|-----------|-----------|
| RC019 | Fremont Irrigation Company (Additional DS Funds) | Wayne | Tom |
| RE387 | West Warren & Warren WID (Expansion of Scope) | Weber | Ben |
| RE415 | Blanding City (Re-Committal of Funds) | San Juan | Ben |
| RE420 | Bear River Canal Company (Adjustment of terms) | Box Elder | Ben |
| RE381 | Silver Creek Reservoir Company (Withdrawal) | Sanpete | Jaqueline |

NEW APPLICATIONS:

| | | | |
|-------|---------------------------|---------|-----------|
| RE437 | American Fork City | Utah | Jaqueline |
| RE438 | Midway Irrigation Company | Wasatch | |

PLANNING REPORT:

Drought Planning and Collaboration - Laura Haskell

LAKE POWELL PIPELINE REPORT:

Committal of Additional Funds for U.S. Bureau of Reclamation - Joel Williams

DIRECTOR'S REPORT:

ADJOURNMENT

STATUS OF FUNDS

BOARD OF WATER RESOURCES

REVOLVING CONSTRUCTION FUND

**Funding Status
May 14, 2020**

Funds Available for Projects This FY \$ 17,009,000

Projects Contracted This FY

| | | | | |
|---|-------|----|------------------|-------------------|
| 1 Bear River Canal Co | RE420 | \$ | 250,000 | (Additional Amt.) |
| 2 Burns Bench Irrigation Co | RE395 | | 189,000 | |
| 3 DMAD Co | RC031 | | 300,000 | (Additional Amt.) |
| 4 Draper Irrigation Co | RE425 | | 977,000 | |
| 5 Huntsville Irrigation District | RE424 | | 514,250 | |
| 6 Mapleton Irrigation District & Canal Co | RE418 | | 1,000,000 | |
| 7 Marion Waterworks Co | RE322 | | 395,000 | |
| 8 Muddy Creek Irrigation Co (Emery) | RE407 | | <u>1,000,000</u> | |

| | | | |
|------------------------|--|----|-------------------|
| Total Funds Contracted | | \$ | <u>4,625,000</u> |
| Funds Balance | | \$ | <u>12,384,000</u> |

Projects with Funds Committed

| | | | | | |
|--|-------|---------|----|---------------|-------------------|
| 1 Baker Reservoir Co | RC046 | **Grant | \$ | 3,020,000 | |
| 2 Baker Reservoir Co | RC046 | **Loan | | 340,000 | |
| 3 Bear River Canal Co | RE435 | | | 85,000 | |
| 4 Center Creek Irrigation Co | RC055 | **Grant | | 30,000 | |
| 5 Center Creek Irrigation Co | RC055 | **Loan | | 4,000 | |
| 6 Cove Water Works | RE429 | | | 212,500 | |
| 7 Ferron Canal & Reservoir Co | RC057 | **Grant | | 3,000,000 | (Additional Amt.) |
| * 8 Fremont Irrigation Co | RC019 | **Grant | | 261,000 | (Additional Amt.) |
| * 9 Fremont Irrigation Co | RC019 | **Loan | | 29,000 | (Additional Amt.) |
| 10 Koosharem Irrigation Co | RC058 | **Grant | | 3,645,000 | |
| 11 Koosharem Irrigation Co | RC058 | **Loan | | 405,000 | |
| 12 M & M Irrigation Co | RE422 | | | 886,000 | |
| 13 Washington County Flood Contr. Auth. (Gypsum) | RC051 | **Grant | | 244,125 | |
| 14 Washington County Flood Contr. Auth. (Warner) | RC049 | **Grant | | 212,000 | |
| 15 Washington County Flood Contr. Auth. (Stucki) | RC050 | **Grant | | <u>88,400</u> | |

| | | | |
|-----------------------|--|----|-------------------|
| Total Funds Committed | | \$ | <u>12,462,000</u> |
| Funds Balance | | \$ | <u>(78,000)</u> |

Projects Authorized

| | | | |
|--|-------|----|----------------|
| 1 Ashley Central Irrigation Co | RE427 | \$ | 1,000,000 |
| 2 Peoa South Bench Canal & Irrigation Co | RE417 | | 1,000,000 |
| * 3 West Cache Irrigation Company | RE433 | | <u>405,000</u> |

| | | | |
|---------------------------|--|----|--------------------|
| Total Funds Authorized | | \$ | <u>2,405,000</u> |
| Remaining Funds Available | (End of year balance if all listed projects were fully paid) | \$ | <u>(2,483,000)</u> |

* To be presented at Board Meeting
** Dam Safety Projects

BOARD OF WATER RESOURCES

CITIES WATER LOAN FUND

**Funding Status
May 14, 2020**

Funds Available for Projects This FY \$ 8,992,000

Bonds Closed This FY

| | | | |
|-----------------------|-------|----------------|--------------|
| 1 Pleasant Grove City | RL586 | \$ 1,800,000 | |
| 2 Trenton Town | RL583 | <u>171,000</u> | |
| Total Bonds Closed | | | \$ 1,971,000 |
| Funds Balance | | | \$ 7,021,000 |

Projects with Funds Committed

| | | | |
|-----------------------|-------|-------------------|--------------|
| 1 Monroe City | RL584 | \$ <u>187,000</u> | |
| Total Funds Committed | | | \$ 187,000 |
| Funds Balance | | | \$ 6,834,000 |

Projects Authorized

| | | | |
|--------------------------------|--|------------------|--------------|
| 1 Millville City | RL587 | \$ 1,598,000 | |
| 2 Powder Mtn. Water & Sewer ID | RL585 | <u>1,068,000</u> | |
| Total Funds Authorized | | | \$ 2,666,000 |
| Remaining Funds Available | (End of year balance if all listed projects were fully paid) | | \$ 4,168,000 |

* To be presented at Board Meeting

BOARD OF WATER RESOURCES

CONSERVATION & DEVELOPMENT FUND

**Funding Status
May 14, 2020**

Funds Available for Projects This FY \$ 66,700,000

Projects Contracted/Bonds Closed This FY

| | | | |
|-----------------------------------|-------|-------------------|-------------------|
| 1 Murray City | RL581 | \$ 8,054,000 | |
| 2 Benson Irrigation Co | RE378 | 190,500 | (Additional Amt.) |
| 3 Davis & Weber Counties Canal Co | RE409 | 730,000 | (Additional Amt.) |
| 4 Draper Irrigation Co | RE419 | 3,000,000 | |
| 5 Riverton City | RE423 | <u>11,985,000</u> | |

| | | |
|-------------------------------|--|----------------------|
| Total Funds Contracted/Closed | | \$ 23,960,000 |
| Funds Balance | | \$ <u>42,740,000</u> |

Projects with Funds Committed

| | | | |
|-------------------------------------|-------|------------------|-------------------|
| * 1 Blanding City | RE415 | \$ 1,425,000 | |
| 2 Davis & Weber Counties Canal Co | RE416 | 4,250,000 | |
| 3 Ferron Canal & Reservoir Co | RC057 | **Loan 3,370,000 | (Additional Amt.) |
| 4 Mountain Green Secondary Water Co | RE428 | 807,500 | |
| * 5 Weber Basin WCD | RE430 | 2,688,000 | |
| 6 West Cache Irrigation Co | RE421 | <u>1,785,000</u> | |

| | | |
|-----------------------|--|----------------------|
| Total Funds Committed | | \$ 14,326,000 |
| Funds Balance | | \$ <u>28,414,000</u> |

Projects Authorized

| | | |
|--|---------|------------------|
| 1 Ashley Upper Irrigation Co | RE373 | \$ 5,045,000 |
| 2 Box Elder Cnty & Perry City Flood Control Dist | RE369 | 660,000 |
| 3 Davis & Weber Counties Canal Co | RE432 | 3,444,000 |
| 4 Henefer Town | RE431 | 1,496,000 |
| * 5 Muddy Creek Irrigation Co | RE436 | 850,000 |
| 6 Salem City | RE434 | 1,530,000 |
| 7 Settlement Canyon Irrigation Co (Phase 2) | RE240R2 | 552,500 |
| 8 Summit Creek Irrigation and Canal Co (Phase 4) | RE308 | 1,198,000 |
| 9 Uintah WCD | RE316 | 36,550,000 |
| 10 Weber Basin WCD (Phase 5+) | RE225R5 | 7,000,000 |
| 11 Weber-Box Elder Cons Dist | RE400 | 1,687,000 |
| 12 Woodruff Irrigating Co | RE365 | <u>3,200,000</u> |

| | | |
|---------------------------|--|------------------------|
| Total Funds Authorized | | \$ 63,213,000 |
| Remaining Funds Available | (End of year balance if all listed projects were fully paid) | \$ <u>(34,799,000)</u> |

* To be presented at Board Meeting
 ** Dam Safety Projects

BOARD OF WATER RESOURCES

May 14, 2020

ADDITIONAL FUTURE FUNDING NEEDS

| Sponsor | No. | Fund | Est. Board Cost | Total Cost |
|---|---------|------|-----------------|---------------|
| 1 Sanpete WCD (Narrows Dam) | RD377 | C&D | \$ 29,325,000 | \$ 34,500,000 |
| 2 Kane County WCD | RD828 | C&D | 1,500,000 | 2,000,000 |
| 3 Hooper Irrigation Co (Press Irr, Ph 3+) | RE060R3 | C&D | 11,033,000 | 12,980,000 |
| 4 Weber Basin WCD | RE312 | C&D | 85,000,000 | 100,000,000 |
| 5 Ferron Canal & Reservoir Co | RE320 | C&D | 2,720,000 | 3,200,000 |
| 6 Wellsville-Mendon Conservation District | RE364 | C&D | 680,000 | 800,000 |
| 7 Glendale Irrigation Co | RE408 | C&D | 196,000 | 1,109,000 |
| 8 Glenwood Town (NRCS Dam Safety Grant) | RC056 | RCF | 969,000 | 3,568,000 |
| 9 Daniel Town | RL580 | CWL | 1,505,000 | 2,021,000 |
| 10 Coyote & East Fork Irrigation Co | RE411 | RCF | 722,500 | 1,700,000 |
| * 11 American Fork City | RE437 | C&D | 18,340,000 | 21,577,000 |
| * 12 Midway Irrigation Co | RE438 | C&D | 433,000 | 1,028,000 |
| Subtotal | | | \$152,424,000 | \$184,483,000 |

* New Application

INACTIVE PROJECTS

Long Term Large Water Conservation Projects

| | |
|--|-------|
| 1 Wayne County WCD | RD494 |
| 2 Cedar City Valley Water Users | RD584 |
| 3 Bear River WCD | RD738 |
| 4 Central Utah WCD (Prepay FY98,99,00) | RD960 |

FEASIBILITY REPORTS

BOARD OF WATER RESOURCES
Feasibility Report



Applicant: **West Cache Irrigation Company**

Project Number: RE433
Fund: Revolving Construction Fund
Cost Estimate: \$828,000

Application Received: 1/13/2020
Board Meeting Date: 5/14/2020

Board Member: Charles Holmgren
Project Manager: Russell Hadley

Project Summary: The purpose of the project is to replace the Hansen and Ezola lateral ditches with one 6,300 foot pressurized pipe operated from a centralized pump station.

Recommendation: Staff recommends the board authorize 49.2% of the project cost up to \$407,000, and that the project be purchased at 0% interest over approximately 15 years with annual payments of \$27,200.

Project Contacts:

President:
Sid Munk
2598 W. 5900 N.
Amalga, UT 84335
435-881-1348

Vice President:
Mike Spackman
270 S. 1200 E.
Trenton, UT 84338
435-512-3070

Secretary:
Ed Cottle
1207 S. 400 E.
Trenton, UT 84338
435-764-9910

Engineer:
Steven Wood
Sunrise Engineering
26 South Main Street
Smithfield, UT 84335
801-573-0769



Location

The proposed project is located in Trenton in Cache County.

Introduction & Background

The applicant provides irrigation water to approximately 14,200 acres through 50 miles of open earthen ditch. Water is diverted from the Bear River near Riverdale, Idaho, with the ditch ending at Cutler Reservoir near Newton Utah. Many of the farmlands are irrigated with privately-owned pumps, providing pressurized water to pivots and wheel lines.

The applicant has completed three previous projects with the board; those projects have been paid off. The applicant currently has another committed project with the board to pipe the Newton Lateral on the bottom end of the system, complete with a pump station installed on Cutler Reservoir.

Existing Conditions & Problems

The Hansen Ditch (5,600 feet long) and Ezola Ditch (5,900 feet long) serve 652 acres of farmland. Both are totally earthen and serve 9 shareholders. About 430 acres (66%) of the farms are pressurized with 5 pumps; the other 222 acres (34%) are flood irrigated. It is estimated that about 856 acre-feet of the applicant's water is lost to seepage and weed growth in the Hansen and Ezola Ditches.

Proposed Project

The applicant is requesting financial assistance from the board to pipe and extend the Hansen Ditch with 6,300 feet of pipe, install a pump station consisting of three 65 Hp pumps, and abandon the Ezola Ditch. All farms will be pressurized at completion. Design and construction engineering services will be supplied by Sunrise Engineering.

The project fits in Prioritization Category 3 (agricultural project that will provide significant economic benefit to the area).

Benefits

Benefits of the project include conservation of about 856 acre-feet annually, 5,000 kWh of electrical savings, a more reliable pressurized system, reduced operation and maintenance costs, reduced weed and moss killer used in the ditch, and reduced impacts of drought.



Cost Estimate

The following cost estimate is based on the engineer’s preliminary design and has been reviewed by staff:

| Item | Description | Quantity | Unit | Unit Price | Total |
|-----------------------------------|--------------------------------|----------|------|------------|------------------|
| 1. | Mobilization | 1 | LS | \$30,000 | \$ 30,000 |
| 2. | Piping – P.I.P DR 41 | | | | |
| | a. 18-inch | 50 | LF | 40 | 2,000 |
| | b. 15-inch | 800 | LF | 25 | 20,000 |
| | c. 12-inch | 3,600 | LF | 16 | 57,600 |
| | d. 10-inch | 850 | LF | 12 | 10,200 |
| | e. 8-inch | 1,000 | LF | 10 | 10,000 |
| 3. | Service Connections | 1 | LS | 119,800 | 119,800 |
| 4. | 65 Hp Pumps | 3 | EA | 35,000 | 105,000 |
| 5. | Concrete pump station & intake | 1 | LS | 40,000 | 40,000 |
| 6. | Variable Frequency Drive | 3 | EA | 10,000 | 30,000 |
| 7. | Power Service | 600 | LF | 20 | 12,000 |
| 8. | Screen - Self cleaning | 1 | LS | 30,000 | 30,000 |
| 9. | Subsurface Investigation | 10 | HR | 200 | 2,000 |
| 10. | Pipe bedding | 6,300 | LF | 3 | 18,900 |
| 11. | Road shoulder repair | 6,500 | LF | 7 | 45,500 |
| 12. | Asphalt road repair | 500 | LF | 26 | 13,000 |
| 13. | Gravel Road Repair | 200 | LF | 7 | 1,400 |
| 14. | Reclaim existing canal | 1,200 | LF | 6 | 7,200 |
| 15. | Canal crossing | 2 | LS | 5,500 | 11,000 |
| 16. | Easements & Permits | 1 | LS | 22,000 | 22,000 |
| Construction Cost | | | | | \$587,600 |
| Contingency | | | | | 58,760 |
| Design & Construction Engineering | | | | | 120,000 |
| Legal and Administrative | | | | | 29,640 |
| Environmental Assessment | | | | | 20,000 |
| Surveying | | | | | 12,000 |
| TOTAL | | | | | \$828,000 |



Cost Sharing & Repayment

The recommended cost sharing and repayment are:

| Agency | Cost Sharing | % of Total |
|--------------------------|------------------|-------------|
| Board of Water Resources | \$407,000 | 49.2% |
| WaterSmart Grant | 350,000 | 42.3 |
| Applicant | 71,000 | 8.5 |
| TOTAL | \$828,000 | 100% |

Staff recommends the board authorize 49.2% of the project cost up to \$407,000, and that the project be purchased at 0% interest over approximately 15 years with annual payments of \$27,200.

Staff Comment: The applicant is requesting the board allow a 25 year repayment term. If the board authorizes this request, it would be recommended the board authorize 49.2% of the project cost up to \$407,000, and that the project be purchased at 0% interest over approximately 25 years with annual payments of \$16,300.

Financial Feasibility

Financial benefits of the project would be realized from increased crop production, reduced pumping costs, and reduced operation and maintenance costs.

Benefits are calculated as follows;

| Benefit | Amount |
|--|-----------------|
| Estimated Annual Net Increased Crop Income | \$85,600 |
| Reduced Pumping Costs | 500 |
| Reduced Moss Killer & O&M | 5,000 |
| NET ANNUAL BENEFIT | \$91,100 |

With the board's cost share of the project being 49.2 percent, it generally would be suggested the applicant's repayment ability be calculated at 49.2 percent of the net annual benefit, or approximately \$44,820. However, that repayment would require a repayment term of less than ten years.

Since the board currently allows a minimum repayment term of 15 years, it is recommended that the board allow payments of \$27,200 for approximately 15 years at 0% interest. This repayment is equal to about \$41.72/acre for the 652 acres benefitting from the project. Current assessments are \$150 per shareholder for operation, plus \$30.50/share for maintenance.

One share entitles a shareholder to 2.5 cfs for 36 minutes per week (equaling 1.5 acre/inches per week).



The applicant's first phase was committed with the board advancing 51% of the project cost, up to \$1,785,000, which the company will return to the state at 1% interest over approximately 25 years, with annual payments of \$81,100. The applicant is requesting the board allow a 25 year repayment term on this phase as well.

Water Rights & Supply

The water right related to this project is Idaho Water Right #13-00974, allowing a flow of 186 cfs for a total of 51,912 acre-feet from the Bear River with a priority date of 1899.

Easements

No easement or right-of-way issues are expected.

Environmental

As less weed and moss killer will be used in the ditch, an environmental benefit is expected. Additionally, some saved water may stay in the Bear River system. No adverse environmental effects are expected from the project.

Water Conservation

Approximately 856 acre-feet will be conserved by construction of the project.

Applicant's Responsibilities

If the board authorizes the proposed project, the applicant must do the following before a purchase agreement can be executed:

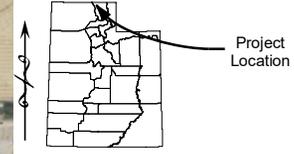
1. Obtain all easements, rights-of-way, and permits required to construct, operate, and maintain the project.
2. Pass a resolution by the appropriate majority (as defined in the company's Articles of Incorporation and Bylaws) authorizing its officers to do the following:
 - a. Assign properties, easements, and water rights required for the project to the Board of Water Resources.
 - b. Enter into a contract with the Board of Water Resources for construction of the project and subsequent purchase from the board.
3. Have an attorney give the Board of Water Resources a written legal opinion that:
 - a. The company is legally incorporated for at least the term of the purchase contract and is in good standing with the state Department of Commerce.
 - b. The company has legally passed the above resolution in accordance with the requirements of state law and the company's Articles of Incorporation and Bylaws.
 - c. The company has obtained all permits required for the project.
 - d. The company owns all easements and rights-of-way for the project, as well as the land on which the project is located, and that title to these easements, rights-of-way, and the project itself can be legally transferred to the Board.
 - e. The company's water rights applicable to the project are unencumbered and legally transferable to the Board of Water Resources, and that they cover the land to be irrigated by the project.
 - f. The company is in compliance with sections 73-10-33, 10-9a-211, and 17-27a-



211 of the Utah Code governing management plans for water conveyance facilities.

4. Update a water conservation plan for its service area, and obtain approval of it from the Division of Water Resources.
5. Obtain approval of final plans and specifications from the Division of Water Resources.
6. Obtain letters from all outside financing agencies establishing their commitment of funds to the project.

West Cache Irrigation Company Proposed Pressurized Irrigation Project Cache County

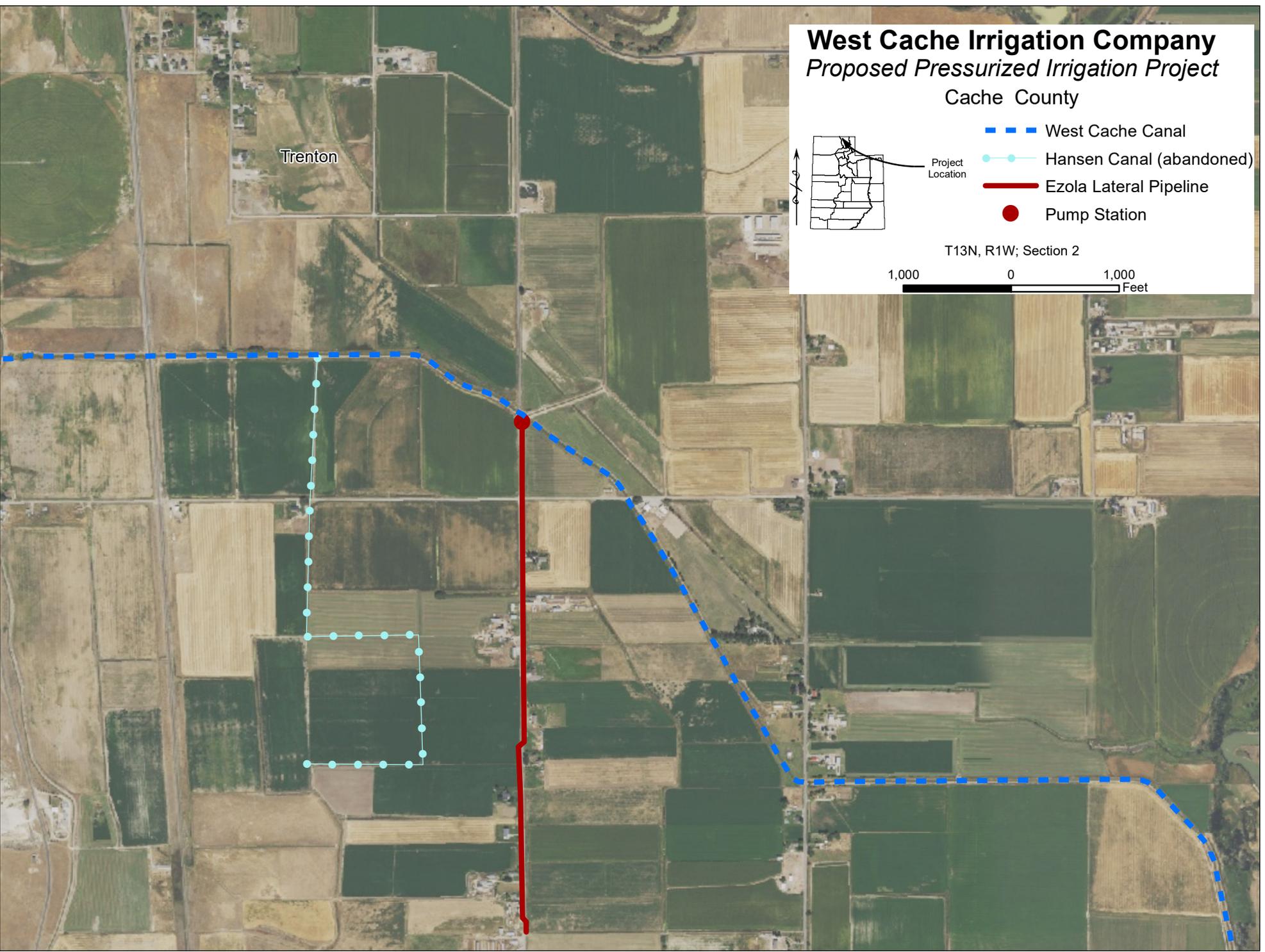


- West Cache Canal
- Hansen Canal (abandoned)
- Ezola Lateral Pipeline
- Pump Station

T13N, R1W; Section 2



Trenton



Applicant: **Muddy Creek Irrigation Company**

Project Number: RE436
Fund: Conservation and Development Fund
Cost Estimate: \$5,583,000

Application Received: 3/5/2020
Board Meeting Date: 5/14/2020

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

Project Summary: The purpose of the project is to enclose the existing irrigation system in a pressurized pipe. This will lower the water table and reduce salt loading.

Recommendation: Staff recommends the board authorize 15.2% of the project cost, up to \$850,000, and that the project be purchased at 1% interest over 23 years with annual payments of approximately \$41,600.

Project Contacts:

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

Secretary:
Abbie Christiansen
P.O. Box 104
Emery, UT 84522
435-609-7181

Engineer:
Jared Hansen
Jones & DeMille Engineering
1675 South Highway 10
Price, UT 84501
435-637-8266



Location

The proposed project is located approximately one mile north of Emery in Emery County.

Introduction & Background

Muddy Creek Irrigation Company has been a vital contributor to the agricultural community of Emery County by delivering water in an arid environment. The irrigation company has been in operation since 1886 and was incorporated in 1964. It is currently in good standing with the state Department of Commerce. Approximately 5% of diverted water is delivered to Emery Town for culinary and secondary uses. The applicant serves approximately 107 shareholders with about 5,640 shares who irrigate 7,800 acres. Each share is equivalent to 5.08 acre-feet. The shareholders are divided into the Emery Series and the Moore Group Independent Canal with 93 and 14 shareholders, respectively. This project will directly benefit the Emery Series.

The applicant received financial assistance from the board in 2008 to replace its diversion structure on Muddy Creek with a new structure incorporating sedimentation basins. In 2011, the applicant received financial assistance for Phase 1 of their pipeline project to install 6.3 miles of pipeline. Repayment for these two projects was distributed to both the Emery Series and the Moore Independent Canal. In 2018, the Emery Series implemented Phase 2 of their project, which consisted of extending the pipeline from Muddy Creek an additional 4.1 miles, and installing regulating ponds. Repayment of Phase 2 is anticipated to be completed in 2040. In that same year the Moore Group Independent Canal replaced approximately 1.9 miles of open canal and 2.9 miles of non-pressurized and deteriorating pipe with a new pressurized pipeline. Repayment of that project is anticipated to be completed in 2043. The cost of the 2018 projects were not distributed to the entire company.

Existing Conditions & Problems

The applicant operates a diversion structure on Muddy Creek that delivers water to about 7,800 acres in and around Emery Town. Prior to Phase 2, the 5,300 acres of the Emery Series were flood irrigated. That project allowed approximately half of that acreage to set up for sprinkler irrigation. Phase 3 will enable the remainder to be able to convert to sprinkler irrigation. The on-farm sprinkler irrigation installation costs are not part of the projects.

Proposed Project

The purpose of this project, Phase 3, is to pressurize the remainder of the irrigation system by installing approximately 7.0 miles of pipeline to deliver water to the east side of Muddy Creek Irrigation Company which will also lower the water table and reduce salt loading. Design and construction engineering will be performed by Jones & DeMille Engineering.

The project fits in Prioritization Category 4 (Projects which receive a large portion of their funding from other sources).

Benefits

The applicant estimated that the proposed project will conserve approximately 190 acre-feet of water that is currently lost through seepage. Additional benefits include reduced salt loading and reduced operation and maintenance costs. The liability of an open canal will also be eliminated.



Cost Estimate

The following cost estimate is based on the engineer’s preliminary design and has been reviewed by staff:

| Item | Description | Quantity | Unit | Unit Price | Total |
|-----------------------------------|-------------------------------------|----------|------|------------|--------------------|
| 1 | Mobilization | 1 | LS | \$238,000 | \$238,000 |
| 2 | Traffic Control | 1 | LS | 15,000 | 15,000 |
| 3 | Clearing & Grubbing | 1 | LS | 15,000 | 15,000 |
| 4 | Imported Bedding | 2,000 | CY | 14 | 28,000 |
| 5 | Rock Excavation | 500 | CY | 46 | 23,000 |
| 6 | Main Line Flow Meter | 1 | EA | 45,000 | 45,000 |
| 7 | Valves | 1 | LS | 90,000 | 90,000 |
| 8 | 6” – 42” Fused HDPE Irrigation Pipe | 1 | LS | 2,900,000 | 2,900,000 |
| 9 | Tracer Wire | 37,000 | LF | 1 | 37,000 |
| 10 | Pipe Marker | 32 | LS | 125 | 4,000 |
| 11 | Drain Turnout, Sump, & Outlet | 1 | LS | 78,000 | 78,000 |
| 12 | Air/Vac | 1 | LS | 172,000 | 172,000 |
| 13 | Road Crossing & Access Gates | 1 | LS | 218,000 | 218,000 |
| 14 | Turnouts | 1 | LS | 295,000 | 295,000 |
| 15 | Riprap Lined Crossing | 1 | LF | 30,000 | 30,000 |
| 16 | Seeding | 26 | AC | 500 | 13,000 |
| 17 | Environmental Fence | 1,000 | LF | 4 | 4,000 |
| Construction Cost | | | | | \$4,205,000 |
| Contingency | | | | | 420,000 |
| Design & Construction Engineering | | | | | 580,000 |
| Legal and Administrative | | | | | 78,000 |
| Environmental Compliance | | | | | 300,000 |
| TOTAL | | | | | \$5,583,000 |

Cost Sharing & Repayment

The recommended cost sharing and repayment are:

| Agency | Cost Sharing | % of Total |
|------------------------------|--------------------|-------------|
| Board of Water Resources | \$850,000 | 15.2% |
| BOR – Salinity Control Grant | 4,583,000 | 82.1 |
| Applicant | 150,000 | 2.7 |
| TOTAL | \$5,583,000 | 100% |

The Bureau of Reclamation Salinity Control Funding has been awarded and the applicant is actively working on completing all of the requirements to be able to start construction in early August 2020.



Staff recommends the board authorize 15.2% of the project cost, up to \$850,000, and that the project be purchased at 1% interest over 23 years with annual payments of approximately \$41,600.

Economic Feasibility

The benefit/cost ratio of 1.0 is assigned to the project, as the primary purpose is to more efficiently and safely convey water; therefore there is no project alternative.

Financial Feasibility

Shareholders are divided into the Emery Series and the Moore Group Independent Canal. This project will benefit the Emery Series. The annual assessment for the Emery Series is currently \$24.00 per share. The company as a whole is making annual payments of \$43,000 for the projects funded in 2008 and 2011. Emery Series shareholders pay \$37,620 annually towards those projects. The Phase 2 project funded in 2018 results in annual payments of \$50,000 and a cost of approximately \$9.43 per acre. The average repayment term for the previous four projects is 23 years. A repayment at 1% interest over 23 years is approximately \$41,600 and the increase of cost per acre for this project is approximately \$7.85.

Water Rights & Supply

The board currently holds ownership of the applicant's water rights from previous projects. These water rights will be retained by the board until the project has been fully purchased by the applicant. Water rights related to this project are as follows:

| Water Right Number | Flow / Volume (cfs / ac-ft) |
|--------------------|-----------------------------|
| 94-1134 | 300 ac-ft |
| 94-1135 | 148.54 cfs |
| 94-12 | 31.0 cfs |
| 94-2 | 51.3 ac-ft |
| 94-32 | 218.0 ac-ft |
| 94-33 | 724.94 ac-ft |
| 94-40 | 8.0 ac-ft |
| 94-47 | 238.7 ac-ft |
| 94-55 | 117.0 ac-ft |
| 94-56 | 251.0 ac-ft |
| 94-57 | 225.0 ac-ft |
| 94-793 | 94.0 cfs |

Easements

The applicant is actively working on obtaining remaining easements.

Environmental

No long-term environmental impacts are foreseen due to the project.



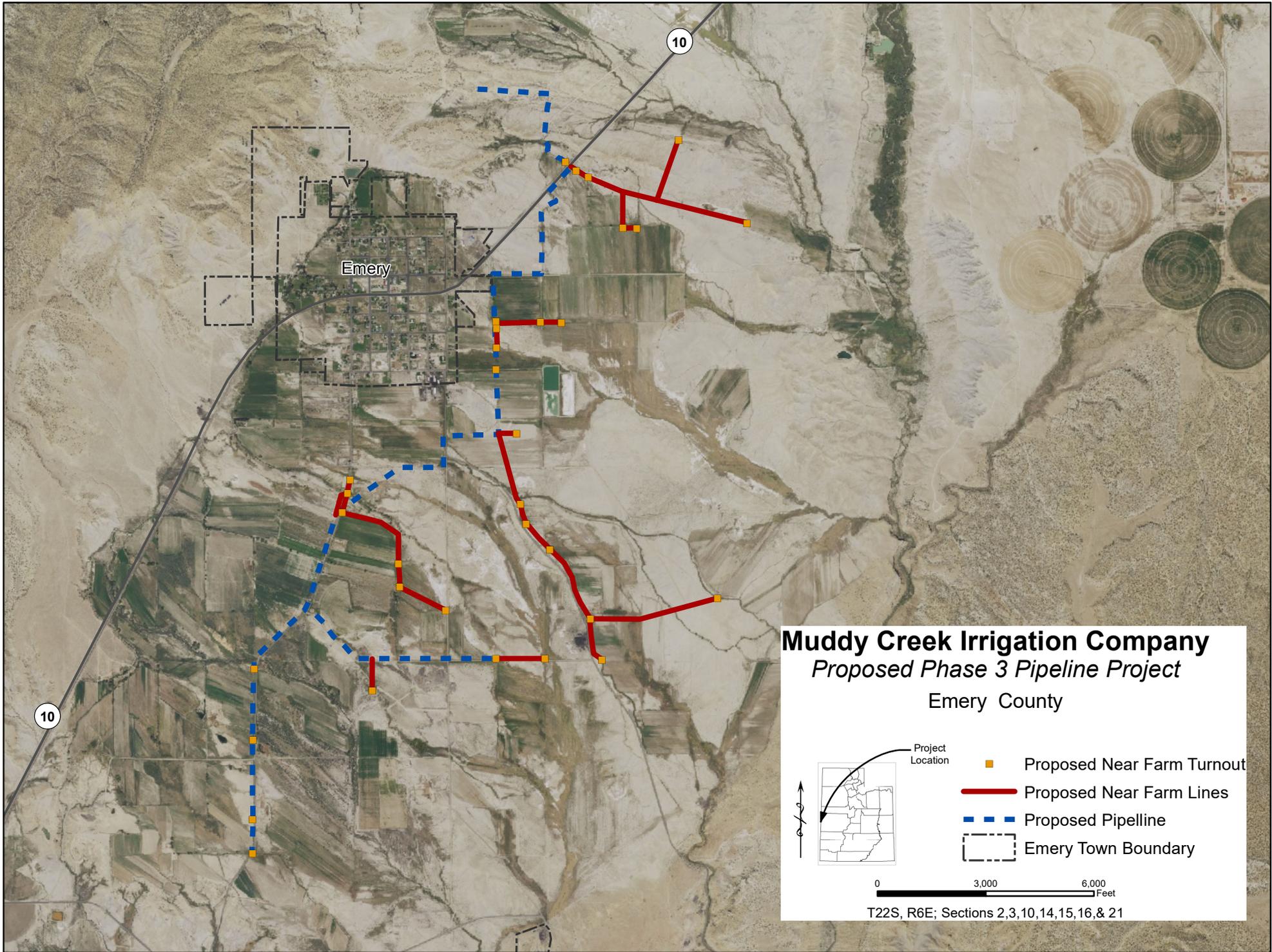
Water Conservation

The applicant estimates that approximately 190 acre-feet will be conserved annually.

Applicant's Responsibilities

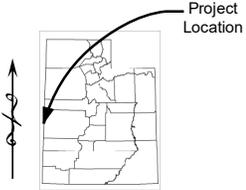
If the board authorizes the proposed project, the applicant must do the following before a purchase agreement can be executed:

1. Obtain all easements, rights-of-way, and permits required to construct, operate, and maintain the project.
2. Pass a resolution by the appropriate majority (as defined in the company's Articles of Incorporation and Bylaws) authorizing its officers to do the following:
 - a. Assign properties, easements, and water rights required for the project to the Board of Water Resources.
 - b. Enter into a contract with the Board of Water Resources for construction of the project and subsequent purchase from the board.
3. Have an attorney give the Board of Water Resources a written legal opinion that:
 - a. The company is legally incorporated for at least the term of the purchase contract and is in good standing with the state Department of Commerce.
 - b. The company has legally passed the above resolution in accordance with the requirements of state law and the company's Articles of Incorporation and Bylaws.
 - c. The company has obtained all permits required for the project.
 - d. The company owns all easements and rights-of-way for the project, as well as the land on which the project is located, and that title to these easements, rights-of-way, and the project itself can be legally transferred to the Board.
 - e. The company's water rights applicable to the project are unencumbered and legally transferable to the Board of Water Resources, and that they cover the land to be irrigated by the project.
 - f. The company is in compliance with sections 73-10-33, 10-9a-211, and 17-27a-211 of the Utah Code governing management plans for water conveyance facilities.
4. Update a water conservation plan for its service area, and obtain approval of it from the Division of Water Resources.
5. Obtain approval of final plans and specifications from the Division of Water Resources.
6. Obtain letters from all outside financing agencies establishing their commitment of funds to the project.



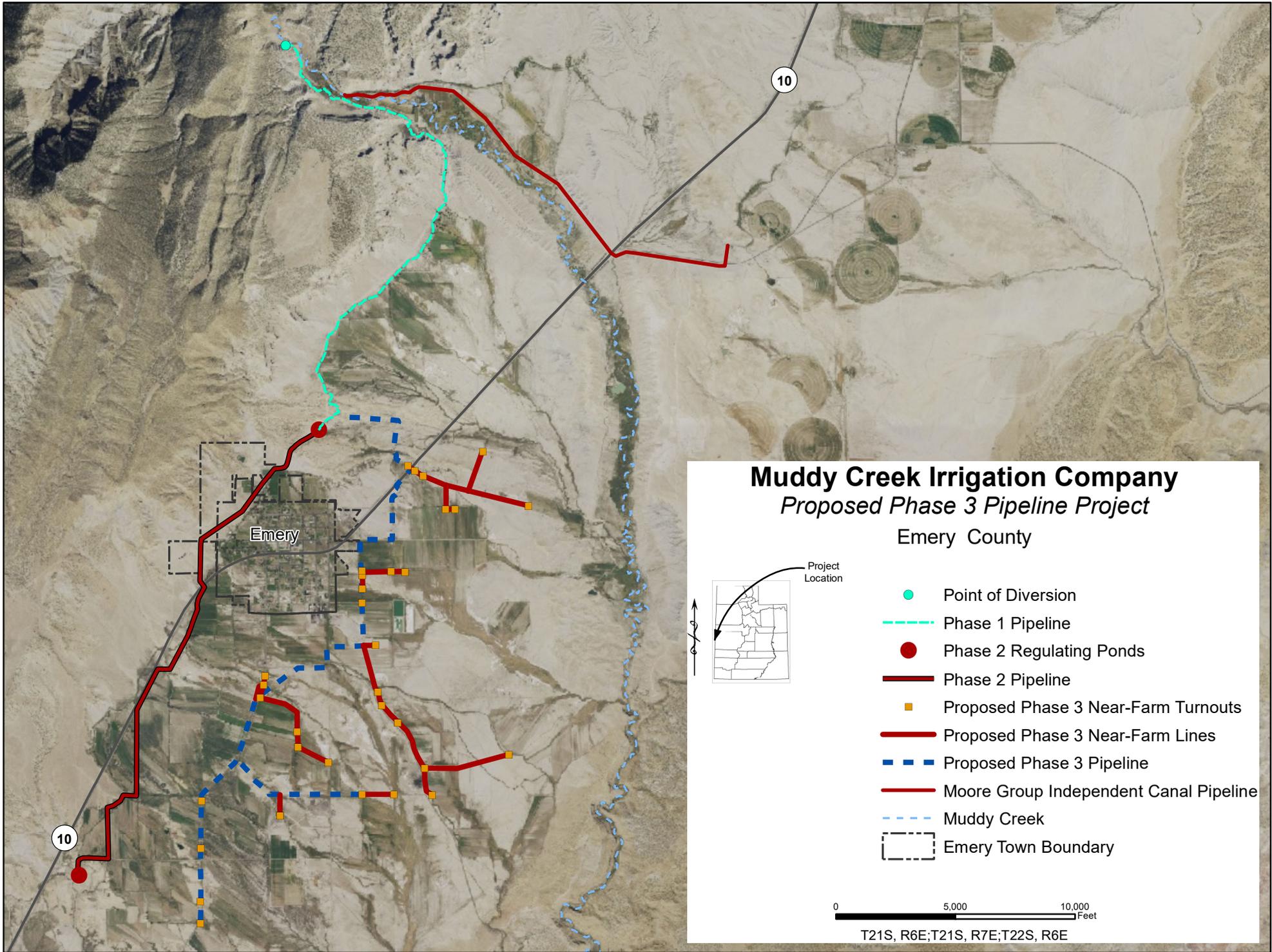
Muddy Creek Irrigation Company Proposed Phase 3 Pipeline Project Emery County

-  Proposed Near Farm Turnout
-  Proposed Near Farm Lines
-  Proposed Pipeline
-  Emery Town Boundary



0 3,000 6,000 Feet

T22S, R6E; Sections 2,3,10,14,15,16,& 21



COMMITTAL OF FUNDS



Applicant: **Weber Basin Water Conservancy District**

Project Number: RE430
Fund: Conservation and Development Fund
Total Cost: \$3,762,000

Application Received: 8/1/2019
Authorized: 10/10/2019
Board Meeting Date: 5/14/2020

Board Member: Kyle Stephens
Project Manager: Ben Marett

Project Summary: The purpose of the project is to install 2,850 secondary meters in West Bountiful and Woods Cross.

Recommendation: Staff recommends the board commit 71.5% of the project cost, up to \$2,688,000, and that the bonded indebtedness be returned at 1.0% interest over 15 years with annual payments of approximately \$208,000 (includes reserves).

Project Contacts:

Project Manager:
Ashley Nay
2837 E. Highway 193
Layton, UT 84040
801-771-4380

Board Trustee:
Paul Summers
2837 E. Highway 193
Layton, UT 84040
801-771-1677

District Engineer:
Zack Woffard
2837 E. Highway 193
Layton, UT 84040
801-771-7677



Location

The proposed project is located in West Bountiful and Woods Cross in Davis County.

Project Summary

The proposed project includes installation of 2,850 secondary water meters in West Bountiful and Woods Cross. Installation of the meters is expected to take place over the course of 24 to 36 months. Construction began in Fall 2019 and is expected to continue through April 2022.

Cost Estimate & Sharing

The cost estimate and sharing remain as authorized.

| Agency | Cost Sharing | % of Total |
|-----------------|--------------------|---------------|
| Board Share | \$2,688,000 | 71.5% |
| Applicant Share | 474,000 | 12.6 |
| WaterSMART | 600,000 | 15.9 |
| TOTAL | \$3,762,000 | 100.0% |

Repayment

Staff recommends the board commit 71.5% of the project cost, up to \$2,688,000, and that the bonded indebtedness be returned at 1.0% interest over 15 years with annual payments of approximately \$208,000 (includes reserves).

SPECIAL ITEMS

BOARD OF WATER RESOURCES
Special Item – Additional Dam Safety Funds



Applicant: **Fremont Irrigation Company**

Project Number: C019
Fund: Revolving Construction Fund
Phase 2 Total Cost: \$2,240,000

Application Received: 5/10/2010
Phase 1 Committal: 10/14/2010, 12/7/2012 and 5/9/2013
Phase 2 Committal: 8/9/2018

Board Meeting Date: 5/14/2020

Board Member: Blaine Ipson
Project Manager: Tom Cox

Project Summary: The purpose of the project is to bring Mill Meadow Dam up to state minimum dam safety standards.

Recommendation: Staff recommends the board commit an additional \$261,000 in dam safety grant and \$29,000 in dam safety loan. The grant contract will be amended to provide 90% of Phase 2 costs, up to \$2,016,000. The loan agreement will be amended to provide 10% of the project cost, up to \$284,000, to be returned at 0% interest over 22 years with annual payments of \$6,000 the first three years and approximately \$14,000 thereafter.

Project Contacts:

President:
Brian Peterson
Box 88
Loa, UT 84747
435-491-0507

Secretary:
Kyle Torgerson
Box 246
Loa, UT 84747
435-836-2045

Engineer:
Alpha Engineering
Brent Gardner
43 South 100 East, Suite 100
St. George, UT 84770
435-628-6500



Location

The proposed project is located four miles northeast of Fremont in Wayne County.

Project Summary

The purpose of the project is to bring Mill Meadow Dam up to state minimum dam safety standards. Phase 1 was completed in 2013 and included installing an upstream guard gate and slip lining the outlet with HDPE pipe. Phase 2 is nearly complete and includes constructing a new spillway, filling in the old spillway and installing toe drains.

Project changes, including a more extensive toe drain system and engineering charges related to an extended construction period, have driven the Phase 2 project cost up \$290,000 to \$2,240,000.

Cost Estimate & Sharing

The Phase 2 proposed cost sharing along with the cost sharing for Phase 1, and the total project (Phases 2 and 1 combined) are as follows:

| Funding | Proposed Phase 2 Additional Funds | Committed Phase 2 Cost Sharing | Phase 1 Cost Sharing | Total Cost Sharing | % of Total |
|--------------|-----------------------------------|--------------------------------|----------------------|--------------------|-------------|
| BWRE Grant | \$261,000 | \$1,755,000 | \$540,000 | \$2,556,000 | 90% |
| BWRE Loan | 29,000 | 195,000 | 60,000 | 284,000 | 10 |
| TOTAL | \$290,000 | \$2,240,000 | \$600,000 | \$2,840,000 | 100% |

The Phase 1 grant contract expired and a new grant contract for up to \$1,755,000 was executed for the Phase 2 project. The original loan agreement was still active and was amended to add an additional \$195,000 for the Phase 2 work. The loan was to be returned at 0% interest over 20 years with annual payments of \$6,000 the first three years and approximately \$14,000 thereafter. Both will be amended to cover the increased project cost.

Staff recommends the board commit an additional \$261,000 in dam safety grant and \$29,000 in dam safety loan. The grant contract will be amended to provide 90% of Phase 2 costs, up to \$2,016,000. The loan agreement will be amended to provide 10% of the project cost, up to \$284,000, to be returned at 0% interest over 22 years with annual payments of \$6,000 the first three years and approximately \$14,000 thereafter.

Applicant: **West Warren & Warren Improvement District**

Project Number: RE387
Fund: Cities Water Loan Fund
Total Cost: \$ 2,117,000

Application Received: 6/2/2016
Authorized: 12/1/2016
Committed: 8/10/2017
Board Meeting Date: 5/14/2020

Board Member: Kyle Stephens
Project Manager: Ben Marett

Summary: The purpose of the project is to replace 16,200 feet of PVC pipe and 21 fire hydrants in the applicant's culinary water system.

Recommendation: Staff recommends the board allow the remaining escrow funds to be used to expand the project scope to include the improvements detailed in this report.

Project Contacts:

President:
Randy Giordano
7852 W. 900 S.
Ogden, UT 84404
801-791-7368

Secretary:
Steven J Davis
1688 S. 7500 W.
Ogden, UT 84404
801-678-9589

Engineer:
John Bjerregaard, P.E.
Wasatch Civil Consulting Engineering
1150 Depot Drive, Suite 225
Ogden, UT 84404



Location

The proposed project is located near the communities of Warren and Reese, approximately five miles west of Ogden in Weber County.

Project Summary

In 2016, the applicant requested financial assistance from the board to replace 16,200 feet of PVC pipeline and install 21 fire hydrants. This project has been successfully completed and is currently operational. As a result, the applicant's water system is more capable of increased capacity including meeting current requirements for fire flows in most areas.

The cost estimate at Committal of Funds was over \$2,000,000, but with the construction complete there is still over \$700,000 remaining in the project escrow account. Because the project was implemented in conjunction with Weber County, it was difficult to coordinate the timing of funding optimally. As a result, the Board committed funds before bids were received for the project. Bids came in far lower than expected, which resulted in the large sum remaining in the escrow.

There are several needed improvements to the distribution system which, if implemented, would substantially benefit water users, improve system operations, bring the distribution system further into compliance with code, and decrease the likelihood of system contamination. These improvements include:

1. 700 North Waterline Extension

Description: Install 2,900 feet of 8-inch pipe to connect and loop two dead end waterlines.
Estimated Cost: \$225,000

Looping waterlines benefits water systems by decreasing vulnerability to breaks, increasing quantity of water available for fire flows, and decreasing likelihood of water quality deterioration due to stagnation.

2. 7500 West Waterline Replacement

Description: Replace approximately 3,300 feet of 6-inch waterline with 8-inch waterline.
Estimated Cost: \$274,000

The 6-inch water line currently in place is incapable of delivering the necessary quantity of water for fire flows. The 8-inch waterline will correct this.

3. Meter and Pressure Reducing Valve Station near 7900 West 900 South

Description: Construction of a new meter and PRV station connecting the distribution system to the water source.
Estimated Cost: \$90,000

A large proportion of the water system is served by a single valve and PRV station. If any component of the connection were to fail, it would leave this portion of the distribution system without water while repairs were being made. With a redundant valve and PRV



station, the system could simultaneously be operated while repairs were being made.

Cost Estimate

The total estimated cost of the proposed improvements is approximately \$589,000.

Modification of Terms

Staff recommends the board allow the remaining escrow funds to be used to expand the project scope to include the improvements detailed in this report.

BOARD OF WATER RESOURCES
Special Item – Re-committal of Funds



Applicant: **City of Blanding**

Project Number: RE415
Fund: Conservation and Development Fund
Total Cost: \$ 1,677,000

Application Received: 9/4/2018
Authorized: 12/6/2018
Committed: 1/23/2020
Board Meeting Date: 5/14/2020

Board Member: Norman L. Johnson
Project Manager: Ben Marett

Summary: The purpose of the proposed project is to install approximately 5,600 feet of pipe, 19 manholes, and multiple inlet boxes to increase the capacity of the storm sewer system and eliminate flooding.

Recommendation: Staff recommends the board commit 85% of the project cost, up to \$1,425,000, and that the bonded indebtedness be returned at 1.0% interest over 30 years with annual payments of approximately \$57,000 (including reserves).

Project Contacts:

Mayor:
Joe B. Lyman
50 W 100 S
Blanding, UT 84511
435-678-2791

Secondary Contact:
Jeremy Redd, Recorder
50 W 100 S
Blanding, UT 84511
435-250-3485

Engineer:
Terry Ekker
50 W 100 S
Blanding, UT 84511
435-678-2791



Location

The proposed project is located in Blanding City in San Juan County.

Project Summary

The proposed project was authorized in December 2018 and includes installing approximately 5,600 feet of reinforced concrete pipe ranging in diameter from 18 to 36 inches, installing 19 manholes and multiple inlet boxes, and will connect to the existing storm sewer system. The project will enter the construction phase in the Spring of 2020. Hansen, Allen, & Luce Engineers will design the project. Jones & Demille Engineering will monitor construction.

Funds were committed to this project in the Board’s January meeting. The project was put out to bid shortly thereafter and received no bids. The project was put out to bid for a second time and received a low bid substantially below the cost estimate. The applicant is requesting that committed funds be reduced to more accurately reflect the bids received.

| Agency | Committed Cost Sharing | % of Total | Proposed Cost Sharing | % of Total |
|--------------------------|------------------------|-------------|-----------------------|-------------|
| Board of Water Resources | \$1,700,000 | 84.8% | \$1,425,000 | 85.0% |
| Applicant | 304,000 | 15.2 | 252,000 | 15.0 |
| TOTAL | \$2,004,000 | 100% | \$1,677,000 | 100% |

Modification of Terms

The Board committed 84.8% of the project cost, up to \$1,700,000. Because the City pays more for water than the Board’s affordability guideline, the bonded indebtedness was to be returned at 1% over 30 years with annual payments of approximately \$68,000. Even with the reduction in cost, the City is still above the affordability guideline, therefore the interest rate and years remain the same as committed.

Staff recommends the board commit 85% of the project cost, up to \$1,425,000, and that the bonded indebtedness be returned at 1.0% interest over 30 years with annual payments of approximately \$57,000 (including reserves).

BOARD OF WATER RESOURCES
Special Item – Additional Funds



Applicant: **Bear River Canal Company**

Project Number: RE420
Fund: Revolving Construction Fund
Total Cost: \$ 1,497,000

Application Received: 11/20/2018
Authorized: 1/31/2019
Committed: 1/31/2019 & 1/23/2020
Board Meeting Date: 5/14/2020

Board Member: Charles Holmgren
Project Manager: Ben Marett

Summary: The purpose of the proposed project consists of emergency repairs to fix a breach in Hammond Canal.

Recommendation: Staff recommends the board commit an additional \$128,000, and amend the purchase agreement to state the board will provide 53.4% of the project cost, up to \$799,000, and that the project be purchased at 0% interest over 15 years with annual payments of approximately \$53,300.

Project Contacts:

President:
Jeff Hardy
275 N. 1600 E.
Tremonton, UT 84337

Secretary:
Bob Roche
275 N. 1600 E.
Tremonton, UT 84337
435-452-1446

Engineer:
Chris Slater - J-U-B Engineers
1047 S 100 W Ste. 180
Logan, UT 84321
435-713-9514



Location

The proposed project is located near Honeyville in Box Elder County.

Project Summary

The Board is providing funds for a project to improve the Hammond and Hammond East Canals. That project includes approximately 13,000 feet of EPDM liner and 400 feet of ADS pipe, along with some intra-canal automation equipment, designed to conserve water, improve public safety, and provide an increased level of service to shareholders. On May 11, 2020 a section of the Hammond Canal outside of the existing project failed. This canal delivers water from Cutler Reservoir to approximately 15,000 acres of agricultural ground east of the Bear River and North of Brigham City. Emergency repairs to the canal commenced immediately to minimize the loss of crops to farmers in this area.

The canal breach will be repaired by laying HDPE liner over compacted soil. The repair will be applied to approximately 200 lineal feet of the canal. The cost of repair will vary depending on factors which will be determined in coming days, but is expected to be approximately \$200,000.

Prior to the canal failure, the applicant already had an item on the May meeting agenda for the Board of Water Resources. The purpose of this agenda item was to ratify an amendment entered into by the Board for additional project funds. Specifically, the Board committed an additional \$292,000 to extend the liner project on Hammond Canal in its January 23, 2020 meeting. After the meeting, the applicant requested that the amendment be reduced from \$292,000 to \$250,000. After discussions with the Utah Attorney General’s Office and Chairman Ipson, it was determined that staff could reduce the amount, but it would be necessary to obtain ratification from the Board for this action.

At this time, the applicant is seeking additional funds from the Board to assist with repair of the canal breach. With the expected cost of repairs at approximately \$200,000, the need for ratification of the amendment for additional funds is rendered unnecessary. In its place, the applicant is asking the Board to increase, rather than decrease, the available funding as shown in the following table.

| Agency | Committed Cost Sharing | % of Total | Proposed Cost Sharing | % of Total |
|---------------------------------------|------------------------|-------------|-----------------------|-------------|
| Board of Water Resources | \$671,000 | 50.1% | \$799,000 | 53.4% |
| Applicant | \$118,000 | 8.8% | \$148,000 | 9.9% |
| Utah Dept. Ag. Water Efficiency Grant | \$250,000 | 18.7% | \$250,000 | 16.7% |
| WaterSMART | \$300,000 | 22.4% | \$300,000 | 20.0% |
| TOTAL | \$1,339,000 | 100% | \$ 1,497,000 | 100% |



Modification of Terms

- The Board originally committed 50.9% of the project costs up to \$379,000 to be returned at 0% interest with a repayment term of 10 years and annual payments of approximately \$37,900.
- The Board subsequently committed an additional \$292,000 to provide 50.1% of the total project costs up to \$671,000, to be returned at 0% interest over 15 years with annual payments of approximately \$44,700.

Staff recommends the board commit an additional \$128,000, and amend the purchase agreement to state the board will provide 53.4% of the project cost, up to \$799,000, and that the project be purchased at 0% interest over 15 years with annual payments of approximately \$53,300.

BOARD OF WATER RESOURCES
Special Item - Withdrawal Report



Applicant: **Silver Creek Reservoir Company**

Project Number: RE381

Fund: Revolving Construction Fund

Application Received: 2/11/2016

Authorized: 6/23/2016

Board Meeting Date: 5/14/2020

Project Manager: Jaqueline Pacheco

Project Contacts:

President:
Thayn Atkinson
PO Box 411
Moroni, UT 82626
435-469-0802

Location

The proposed project is located three miles southeast of Moroni in Sanpete County.

Summary

In February 2016 the applicant requested financial assistance from the board to replace canal with pipe. The applicant is not pursuing the project at this time. Silver Creek Reservoir Company can reapply for financial assistance if they decide to pursue the project in the future.

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

NEW APPLICATIONS

BOARD OF WATER RESOURCES

Application Summary



Applicant: **American Fork City**

Project Number: RE437

Fund: Conservation and Development Fund

Cost Estimate: \$21,577,000

Application Received: 4/9/2020

Board Meeting Date: 5/14/2020

Board Member: Wayne Andersen

Project Manager: Jaqueline Pacheco

Project Contacts:

| | | |
|--|---|--|
| Mayor: Brad Frost 51 E. Main St. American Fork, UT 84003 801-763-3000 | Finance Director: Anna Montoya 51 E. Main St. American Fork, UT 84003 801-854-5613 | Engineer: Scott Sensanbaugher - Public Works Director 275 E 200 N American Fork, UT 84003 385-233-7229 |
|--|---|--|

Location

The proposed project is located in American Fork City in Utah County.

Proposed Project

The applicant is requesting financial assistance from the board to replace old and undersized main line pipes.

Water Rights

The applicant owns over 150 water rights for use in the City.

BOARD OF WATER RESOURCES

Application Summary



Applicant: **Midway Irrigation Company**

Project Number: RE438
Fund: Conservation and Development Fund
Cost Estimate: \$1,028,000

Application Received: 4/10/2020
Board Meeting Date: 5/14/2020

Board Member: Wayne Andersen
Project Manager:

Project Contacts:

| | | |
|--|--|--|
| President: Steve Farrell PO Box 404 Midway, UT 84049 801-541-2974 | Secretary: Mike Kohler PO Box 404 Midway, UT 84049 801-420-6158 | Engineer: Brandon Nielsen, JUB 466 N 900 W Kaysville, UT 84037 801-547-0393 |
|--|--|--|

Location

The proposed project is located in and around Midway City in Wasatch County.

Proposed Project

The applicant is requesting financial assistance from the board to install 750 secondary meters, along with the required software.

Water Rights

- 55-1509
- 55-2569
- 55-2570
- 55-2571
- 55-9395
- 55-11203
- 55-11204
- 55-11205
- 55-11297
- 55-11302
- 55-11381
- 55-11506
- 55-11507

Unapproved

BOARD OF WATER RESOURCES

BRIEFING MEETING

MINUTES

April 9, 2020

Department of Natural Resources

1594 W. North Temple

Salt Lake City, UT

Virtual Meeting

BOARD OF WATER RESOURCES
VIRTUAL BRIEFING MEETING
Department of Natural Resources
Salt Lake City, UT
April 9, 2020
1:00 p.m.

Attendees: Chair Blaine Ipson
Vice-Chair Kyle Stephens
Norman Johnson
James Lemmon
Wayne Anderson
Charles Holmgren
Randy Crozier
Juliette Tennert
Todd Adams, Director
Candice Hasenyager, Deputy Director
Joel Williams, Assistant Director
Todd Stonely, Assistant Director
Shalaine DeBernardi, Project Funding Manager
Marisa Egbert, Senior Engineer
Tom Cox, Engineer
Russell Hadley, Senior Engineer
Ben Marret, Engineer
Jaqueline Pacheco, Engineer
Eric Dixon, Senior Engineer
Randy Staker, Financial Analyst
Marcie Larson, WE3 Section Manager
Summer Dawn Shumway, WEB Content Editor
Lindsay Russell, Executive Admin

Chair Blaine Ipson called the meeting to order at 1:02 pm. Everyone was given a warm welcome and a thank you for working with the limitations that the Covid-19 virus has created. Chair Ipson asked for any comments on the minutes from January 23, 2020. Vice-Chair Kyle Stephens mentioned that he would like to see the titles along with which entity or organization they are affiliated with on those present. Vice-Chair Stephens also mentioned that Juliette Tennert was excused from the previous meeting.

Director Todd Adams introduced new staff member Summer Dawn Shumway as the new Web Content Editor and formally announced Todd Stonely as the newly appointed Assistant Director and Shalaine DeBernardi as the newly appointed Project Funding Manager.

1. FEASIBILITY REPORTS:

RE 434: Salem City:

WAYNE ANDERSEN: 1900 secondary water meters were installed throughout the city. There are 2500 connections and 2390 are residential along the 72 miles of pipeline and 5 storage banks. The benefits are to reduce residential outdoor water use and to help the city expand the culinary water system. Those who have previously installed secondary metering have had up to 30-40% savings in water.

CHAIR IPSON: Any questions? None.

RE432: Davis and Weber County Canal Company:

TOM COX: This is a project to enclose more of their canal (approximately 3400 feet) and replace approximately 2900 feet of old and damaged corrugated pipe. The cost that is recommended for the Board to pay is \$3,444,000 which is 57.4% of the project.

2. COMMITAL OF FUNDS

RE416: Davis and Weber County Canal Company

VICE-CHAIR STEPHENS: The feasibility was reviewed and approved for this project and it is going to be a great project. This is also a continuation of a previous Board funded project.

TOM COX: The cost has increased since it was initially approved but the cost share remains the same. The interest rate and payment period have changed to 2.41% over 15 years with annual payments of \$341,000.

RE422 M&M Irrigation Company

CHAIR IPSON: The company was concerned about making payments on this and a previous project so Jaqueline Pacheco was asked to come up with some alternative payment plans which will be presented.

JAQUELINE PACHECO: This project was approved in June of 2019. The company is looking for a modification of terms and are hoping to reduce the payment for the current project for the last 12 years of the previous project. The most ideal plan would reduce the payments for project RE422 to annual payments of \$15,000 and then increase to \$54,300 for the remaining 13 years.

CHAIR IPSON: Any thoughts or problems?

JULIETTE TENNERT: It worries me that accommodations have been made previously but given the current economic situation, I am very comfortable being flexible with this.

WAYNE: Do you feel comfortable with this arrangement, Chair? If you do, then I have no issue.

CHAIR IPSON: I do feel comfortable with the lower payment initially.

RE423 Riverton City

RUSSELL HADLEY: Secondary meters on 10,200 connections to conserve 3,000 acre feet per year. They will spread this out over 3 years and since the project was authorized, they received another grant for \$1,500,000 and the cost went up by \$1,500,000

JULIETTE TENNERT: There were initial concerns about cost but it seems to have really become more finalized and the process should be uncomplicated.

3. SPECIAL ITEMS

RE435 Bear River Canal Company

CHARLES HOLMGREN: The company has been grateful for the assistance from Ben Marett and the Board on this project. The payments will be made by the water users in the area and they are satisfied with the project.

BEN MARETT: This is a brand new project with the company. The concrete canal liner is damaged and undersized so they are wanting to replace 2,000 feet of ditch with pipe. They have received the approval from the Board to begin the project so they can avoid issues with funding.

CHARLES HOLMGREN: There is a conflict of interest here so Randy Crozier will make the motion if that is okay with the Chair.

CHAIR IPSON: That is okay and we will look forward to Randy making that motion.

RC057 Ferron Canal & Reservoir Company

TOM COX: This is a dam upgrade project at the Millsite Dam. It was supposed to be completed in 2018 but there were issues with spillway design deficiencies thus, the time frame had to be extended. The cost has also increased as the time has extended and the initial cost analysis did not include engineering expenses. There are two motions that need to be made in the full meeting; the first recommending an additional \$3,000,000 from the Revolving Construction Fund and the second recommending up to \$3,370,000 from the Conservation and Development Fund after the remaining grant funds are expended.

CHARLES HOLMGREN: When this was first introduced, did the NRCS propose covering the cost of engineering? It seems like that was the situation that was presented.

TOM COX: That was the intent until December and the request for payment was sent and the NRCS informed the Division that the engineering money was no longer available.

CHAIR IPSON: Just a reminder that this is not a public hearing and if public comments are to be made, they must be done so electronically before the start of the meeting. Randy Staker of the Division will be monitoring those.

SHALAIN DEBERNARDI: Those who are involved in the projects (engineers and leaders in the communities of the projects) will be joining and they should be offered the opportunity to speak and add comments after the initial presentation of the project and before the motion is stated.

DIRECTOR ADAMS: Just a reminder that the chat in the Google Hangouts feed is also a part of the recording and live stream thus we just want to make sure that we are aware and professional.

TODD STONELY: As people join, no one except the assigned staff should accept or deny entrance.

CHAIR IPSON: Participants should introduce themselves as they begin.

WAYNE ANDERSEN: There was a phone call from Midway Irrigation Company regarding a funding application but that will be sent to the office on Monday.

4. INTERLOCAL AGREEMENT

CHAIR IPSON: Marcie Larson will be presenting the Governors Water Conservation Team Proposed Interlocal Agreement. Vice-Chair Stephens will be making that motion.

MARCIE LARSON: This agreement has been reviewed and updated (as it is every 5 years) by the Governor's water conservation team in regards to the water efficiency statewide campaign. Those involved are the Division of Water Resources and several other agencies. The Division of Water Resources has a budget of \$300,000 and then each region pays an annual amount based on their population served or represented. The Bear River Water Conservancy District's contribution is fixed at \$4,300 and the Utah Division of Water Resources is fixed at \$75,000. It is the hope that the Board will accept this interlocal agreement.

CHAIR IPSON: Hopefully all members of the board have had a chance to look over the agreement and Vice-Chair Kyle Stephens will be making that motion later today. The next item of business is the Lake Powell Pipeline Change Application which will be presented by Shalaine DeBernardi. Typically Joel gives this presentation. There has been a lot of hard work that has gone into this application and we look forward to moving forward with it.

5. LAKE POWELL PIPELINE CHANGE APPLICATION

DEBERNARDI: Water Right No. 41-3479 (A30414d) represents a portion of the Colorado River water supply allocated to the State of Utah, with a point of diversion on the Green River at Flaming Gorge Dam. This right is being held for use in the Lake Powell Pipeline Project. This change application is to seek approval for a point of redirection at Lake Powell, and to change the place and nature of use for the Lake Powell Pipeline Project.

Staff recommends that the Board approve the change application as written, and authorize the Chairman to sign and file the change application with the State Engineer's office

CHAIR IPSON: This is just the authorization to file the change application and the Board is voting on the Chairman signing that application. There is still plenty of work to be done with this process. Jim Lemmon will be making the motion in the full Board Meeting later.

6. DIRECTOR'S REPORT

Our staff is incredible and hardworking. The office has stayed open with 1-2 people covering each day, typically managers. We have been unsuccessful in finding additional funds for dam safety projects in the past few years. We might start considering an 80/20 split (Board would pay 80% and residents would pay 20%). This is just something to consider to ensure that our money is able to go further and reach more projects. The new policy agreement on the Covid-19 Emergency Funding just in case of a state emergency will be released soon as well.

The Utah Board of Water Resources meetings are regularly streamed live and are recorded so citizens can watch them later. Please use the following link to access the most recent recordings: <https://goo.gl.UfyPQn>

Unapproved

BOARD OF WATER RESOURCES

MEETING MINUTES

April 9, 2020

Department of Natural Resources

1594 W. North Temple

Salt Lake City, Utah

Virtual Meeting

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SUMMARY OF BOARD ACTIONS

April 9, 2020

1. PAGE 1: The minutes from the January 23, 2020 meeting were approved. NORM JOHNSON moved to approve, VICE-CHAIR STEPHENS seconded, and all approved.
2. PAGE 2: RE434 - Salem City - The Board authorized 72.8% of the project cost up to \$1,530,000, and that bonded indebtedness to be returned at 1% interest over 15 years with annual payments of approximately \$119,000 (including reserves). WAYNE ANDERSEN moved to approve, RANDY CROZIER seconded, and all approved.
3. PAGE 2: RE432 - Davis and Weber Counties Canal Co. - the Board authorized 57.4% of the project cost up to \$3,444,000, and that the project be purchased at 1.71% interest over 30 years with annual payments of approximately \$147,800. VICE-CHAIR STEPHENS moved to approve, CHARLIES HOLMGREN seconded, and all approved.
4. PAGE 3: RE416 - Davis and Weber Counties Canal Co - the Board committed 85% of the project cost up to \$4,250,000, and that the project be purchased at 2.41% interest over 15 years with annual payments of approximately \$341,000. RANDY CROZIER moved to approve, NORM JOHNSON seconded, and all approve (except VICE-CHAIR STEPHENS who was recused from voting).
5. PAGE 4: RE422 – M&M Irrigation Co. - the Board committed 47.1% of the project cost up to \$886,000, and that the project be purchased at 0% interest over 25 years, with annual payments of approximately \$35,500. JULIETTE TENNERT moved to approve, VICE-CHAIR STEPHENS seconded, and all approved.
6. PAGE 5: RE423 – Riverton City - the Board committed 76.8% of the project cost, up to \$11,985,00, and that the bonded indebtedness be returned at 1% interest over 15 years with annual payments of approximately \$929,000 (including reserves). JULIETTE TENNERT moved to approve, WAYNE ANDERSEN seconded, and all approved.

7. PAGE 5: RE435 – Bear River Canal Co. - the Board authorized and commit 75.9% of the project cost, up to \$85,000, and that the project be purchased at 0% interest over 15 years with annual payments of approximately \$5,700. RANDY CROZIER moved to approve, VICE-CHAIR STEPHENS seconded, and all approved (except CHARLES HOLMGREN who was recused from voting).
8. PAGE 6: RC058 – Ferron Canal & Reservoir - the Board committed an additional \$3,000,000 in dam safety grant from the Revolving Construction Fund, and that the contract be amended to state the Board will provide 40.2% of the project cost, up to \$11,570,000. NORM JOHNSON moved to approve, VICE-CHAIR STEPHENS seconded, and all approved.
9. PAGE 6: RC058 – Ferron Canal & Reservoir - the Board committed 40.2% of the project cost remaining after the grant funds are expended, up to \$3,370,000 as a loan from the Conservation and Development Fund. The loan will be returned at 0.1% interest with one lump-sum principal payment of approximately \$3,370,000 to be paid no later than 2031. Interest only payments will be made annually until the loan is repaid. The Board will commit additional dam safety grant funds to pay off the loan as soon as it is reasonably available but no later than 2030. NORM JOHNSON moved to approve, JIM LEMMON seconded, and all approved.
10. PAGE 7: Slow the Flow Inter-Local Agreement – the Board authorized Director Todd Adams to sign the agreement on behalf of the Board of Water Resources. VICE-CHAIR STEPHENS moved to approve, WAYNE HOLMGREN seconded, and all approved.
11. PAGE 8: Lake Powell Pipeline Water Rights Change Application – the Board authorized Chairman Blaine Ipson to sign and file the change application for Water Right No. 41-3479 (A30414d), which represents a portion of the Colorado River water supply allocated to the State of Utah, with a point of diversion on the Green River at Flaming Gorge Dam. This right is being held for use in the Lake Powell Pipeline Project. This change application is to seek approval for a point of rediversion at Lake Powell, and to change the place and nature of use for the Lake Powell Pipeline Project. JIM LEMMON moved to approve, NORM JOHNSON seconded, and all approved.

THOSE PRESENT

The Utah BOARD OF WATER RESOURCES met in regular session on Thursday April 9, 2020 held virtually due to the COVID-19 Virus. Chairman Blaine Ipson presided over the meeting.

BOARD MEMBERS PRESENT:

Blaine Ipson, Chair

Kyle Stephens, Vice-Chair

James Lemmon

Juliette Tennert

Randy Crozier

Wayne Andersen

Charles Holmgren

Norm Johnson

STAFF MEMBERS PRESENT:

Todd Adams, Director

Candice Hasenyager, Deputy Director

Joel Williams, Assistant Director

Lindsay Russell, Executive Admin

Marisa Egbert, Senior Engineer

Shalaine DeBernardi – Senior Engineer

Ben Marett, Engineer

Randy Staker – Financial Analyst

Tom Cox – Engineer

Jim Egbert – Budget Officer

Carmen McDonald – Engineer Technician

Paul Gedge, AV/IT Specialist

Russell Hadley – Senior Engineer

Marcie Larson, Section Manager

Craig Miller – Section Manager

Rachel Shilton – Section Manager

Eric Dixon – Engineer

Summer Dawn Shumway – Web Content Editor

OTHERS PRESENT:

Roger Barton (Ferron Canal & Reservoir Company)

Trevor Nielson, General Manager (Bear River Canal Co.)

Chris Slater, J-U-B Engineers

Jeff Hardy, President (Bear River Canal Company)

Dan Woodbury, Engineer

Jonathan Ward, Riverton City

Tyler Faddis, Engineer (Jones & Demille Engineering)

Frank Eliason, President (M&M Irrigation Co.)

Troy Prestwich, Secretary (M&M Irrigation Co.)
Rick Smith, General Manager (Davis & Weber Counties Canal Co.)
Bruce Ward, City Engineer (Salem City)
Howard Shunts, Councilman (Salem City)
Steve Jones, Engineer (Hansen, Allen, & Luce)

BOARD OF WATER RESOURCES
Virtual Meeting Minutes
Department of Natural Resources
April 9, 2020
2:00 pm

1. WELCOME AND APPROVAL OF MINUTES:

CHAIR BLAINE IPSON: Roll call (all were present) and the minutes were approved by the motion presented by NORM JOHNSON and seconded by VICE-CHAIR STEPHENS as specified in the Briefing Meeting earlier. All approved the minutes and the motion carried.

This is an electronic Board Meeting in light of the Covid-19 Pandemic and the guidelines put in place by the CDC and the State of Utah. This format is approved through Executive Order 2020-5 from Governor Herbert.

DIRECTOR ADAMS: welcomed all attendees and other staff.

CHAIR IPSON: Please mute mics until ready to speak. Let's move into the Feasibility Reports on the Agenda

2. FEASIBILITY REPORTS:

RE434 Salem City

Present for Salem City: Bruce Ward, city engineer; Howard Shunts, City Council; Steve Jones, Hansen, Allen, and Luce

MARISA EGBERT: Salem City has about 2500 connections for culinary water and almost 2400 are residential. They are hoping to install 1900 secondary water meters throughout the system. This would reduce water use and allow for charges to be made by use (which keeps users accountable for their water use). This also delays the need for additional infrastructure for the culinary system.

There is a WaterSMART grant for \$300,000 towards this project and they will be providing \$270,000 of the project cost. Staff recommends the Board authorize 72.8% of the project cost up to \$1,530,000, and that bonded indebtedness to be returned at 1% interest over 15 years with annual payments of approximately \$119,000 (including reserves).

CHAIR IPSON: Questions or comments?

VICE-CHAIR STEPHENS: In the "Existing Conditions and Problems" section, it states "Due to realized reduction in water use when meters are installed, the city wants to install meters on all the secondary connections". What do you attribute that to?

BRUCE WARD: That statement is referring to the fact that water users seem to use what they want and when so this creates an equitable situation where the small and big lots are treated accordingly.

VICE-CHAIR STEPHENS: I just wanted to bring up the point that having a meter causes more consciousness of use and they become more conservative in their water use.

BRUCE WARD: Absolutely.

CHAIR IPSON: Are there any public comments Mr. Staker?

RANDY STAKER: No, there were no other comments.

WAYNE ANDERSEN moved to authorize the project using the wording recommended by staff, RANDY CROZIER seconded the motion, all approved and the motion carried.

RE432 Davis and Weber Counties Canal Company

Present: Rick Smith, general manager

TOM COX: The Davis and Weber Counties Canal Company provides water to over 16,000 secondary irrigation connections and approximately 9,000 acres of farm ground. The water is diverted from the Weber River and delivered primarily from the 17.2 mile-long canal. There have been several improvement projects authorized by the Board. There are still improvements to be made.

The project would enclose approximately 3,400 feet of deteriorating line and unlined canal and replace about 2,900 feet of corroding steel pipe. This would conserve approximately 1,635 acre-feet of water annually and reduce operation and maintenance costs by approximately \$7,000. It will also increase safety.

Staff recommends the Board authorize 57.4% of the project cost up to \$3,444,000, and that the project be purchased at 1.71% interest over 30 years with annual payments of approximately \$147,800.

CHAIR IPSON: Any questions or comments?

RICK SMITH: We are just grateful for the Board and their willingness to help with these projects

CHAIR IPSON: Do you have the WaterSMART grant in hand?

RICK SMITH: Yes, we have 1 completed and another coming in October.

CHAIR IPSON: Any public comments Mr. Staker?

RANDY STAKER: No, there were no comments.

VICE-CHAIR STEPHENS moved to authorize the project using the wording recommended by staff, CHARLES HOLMGREN seconded the motion, all approved and the motion carried.

3. COMMITMENT OF FUNDS:

RE416 Davis & Weber Counties Canal Company

TOM COX: The Company operates a secondary irrigation system that serves all or part of the cities of Clinton, West Point, Kaysville, and Layton. The project would install a pressure boosting station on the secondary irrigation system near Kaysville Reservoir. The project was authorized over a year ago but the cost did go up by about \$1,000,000 since then.

Staff recommends that the Board commit 85% of the project cost up to \$4,250,000, and that the project be purchased at 2.41% interest over 15 years with annual payments of approximately \$341,000.

CHAIR IPSON: Any questions or comments?

RICK SMITH: As the area continues to grow, we have not done any major capital projects like this so we are just playing catch up right now.

CHAIR IPSON: with the multiple projects you have planned, do you foresee any issues repaying the projects?

RICK SMITH: No, we do not see any issues being able to pay those.

CHAIR IPSON: Randy, any public comments?

RANDY STAKER: No public comments

VICE-CHAIR STEPHENS: I live in Kaysville and need to declare a conflict of interest in this project.

RANDY CROZIER moved to commit funds to the project using the wording recommended by staff, NORM JOHNSON seconded the motion, all approve (Vice-Chair Stephens is recused from voting), and the motion carries.

DIRECTOR ADAMS: When do you plan to begin construction on these projects?

RICK SMITH: The canal will begin this fall and the other one will be based on the design and they are hoping to begin this summer to be operational by next summer 2021.

RE422 M & M Irrigation Company

Present: Frank Eliason, Troy, Doug, Tyler Faddis (Jones Engineering)

JAQUILINE PACHECO: The project was authorized last June. The project will replace 3.5 miles of canal with 30-inch HDPE pipe and install a SCADA system and metering devices. They received a WaterSMART grant for \$841,000 and will supply \$156,000.

Staff recommends the Board commit 47.1% of the project cost up to \$886,000, and that the project be purchased at 0% interest over 25 years, with annual payments of approximately \$35,500.

CHAIR IPSON: Any questions or comments?

JAQUELINE PACHECO: The applicant had reached out requesting a modification of terms.

TROY DENT: It was the hope that for the first 12 years, the payments could be \$15,000 while they are paying off a previous loan from the Board and then after that is paid off, the remaining 13 years would have higher annual payments.

JAQUELINE PACHECO: the updated motion would state: Applicant requests that the Board commit 47.1% of the project cost up to \$886,000, and that the project be purchased at 0% interest over 25 years, with annual payments for the first 12 years set to \$15,000 and the annual payments for the final 13 years be set to \$54,300.

TROY DENT: We would really appreciate this modification.

VICE-CHAIR STEPHENS: What is the payment amount on the existing loan?

TROY DENT: The amount right now is \$42,100 annually on the existing loan.

VICE-CHAIR STEPHENS: This adjustment will allow these payments to be made fully in 12 years?

TROY DENT: Yes, the payment amount will be almost exactly the same.

RANDY CROZIER: The payments would drop annually (total) from \$57,500 to \$54,300 after the first 12 years.

RANDY STAKER: There were no public comments.

JULIETTE TENNERT moved to commit funds to the project using the updated motion requested by the Applicant, VICE-CHAIR STEPHENS seconded, all approved and the motion carried.

RE423 RIVERTON CITY

Present: Dan Woodbury and Jonathan Ward

RUSSELL HADLEY: Riverton City has a well-developed secondary system with all of their water coming from Utah Lake. The purpose of the project is to install secondary water meters on all 10,200 customer connections which will conserve approximately 3,000 acre-feet annually and stretch existing secondary supply.

The cost per meter is about \$1600 and they are expecting 30-40% to have some sort of obstacle to work around (ie. fire hydrants, mailboxes, etc).

Staff recommends the Board commit 76.8% of the project cost, up to \$11,985,00, and that the bonded indebtedness be returned at 1% interest over 15 years with annual payments of approximately \$929,000 (including reserves).

CHAIR IPSON: Any questions or Comments?

JONATHAN WARD: Thank you for the consideration.

RANDY STAKER: There were no public comments

JULIETTE TENNERT moved to commit funds to the project using the wording recommended by staff, WAYNE ANDERSEN seconded the motion, all approved and the motion carried.

4. SPECIAL ITEMS:

RE435 BEAR RIVER CANAL COMPANY

Trevor Nielson, general manager; Chris Slater; Jeff Hard, company president

BEN MARETT: They provide water to approximately 66,000 acres of land for agricultural use in addition to secondary water for private commercial and government entities. The project would replace 2,000 feet of ditch with open, replace existing spill structure, and install a new flow measurement device and telemetry station.

Some of the work has already begun and the applicant received permission from Chairman Ipson to do so, they just needed to begin to comply with funding requirements.

Staff recommends the Board authorize and commit 75.9% of the project cost, up to \$85,000, and that the project be purchased at 0% interest over 15 years with annual payments of approximately \$5,700.

CHAIR IPSON: Any questions or comments?

JEFF HARDY: We are happy to be working with you and appreciate the consideration.

CHARLES HOLMGREN: As a shareholder, I recuse myself from voting.

RANDY STAKER: There were no public comments.

RANDY CROZIER moved to authorize and commit funds to the project using the wording recommended by staff, VICE-CHAIR STEPHENS seconded, all approved (Other than CHARLES HOLMGREN), and the motion carried.

RC057 Ferron Canal & Reservoir

Present: Roger Barton, irrigation company board member and Eric Dixon of the DWRe

TOM COX: This company owns and operates Millsite dam and the purpose of the project is to bring the dam into Dam safety standards. There was a deficiency discovered in the design of the spillway and the project has become more expensive and extensive than originally anticipated. It has also taken longer than expected for the contractor to complete the embankment work. It is now expected that the work will not be completed until Spring 2021.

It was originally understood that the NRCS would cover the engineering costs so it was presented to the Board as such. They have indicated that they do not have the funds to provide the engineering costs, thus the Board funds have gone up but the amount is not available through the Board at this time so the applicant is willing to take out a low interest loan to cover the difference until the balance of the dam safety grant is available.

Staff recommends that the Board commit an additional \$3,000,000 in dam safety grant from the Revolving Construction Fund, and that the contract be amended to state the Board will provide 40.2% of the project cost, up to \$11,570,000.

Staff also recommends that the Board commit 40.2% of the project cost remaining after the grant funds are expended, up to \$3,370,000 as a loan from the Conservation and Development Fund. The loan will be returned at 0.1% interest with one lump-sum principal payment of approximately \$3,370,000 to be paid no later than 2031. Interest only payments will be made annually until the loan is repaid. The Board will commit additional dam safety grant funds to pay off the loan as soon as it is reasonably available but no later than 2030.

CHAIR IPSON: Any questions or comments?

ROGER BARTON: We are very interested in completing this project and we appreciate the support we have received from the division and board.

ERIC DIXON: We appreciate the support and are looking forward to finishing this project as well.

NORM JOHNSON: This is a project that has been very difficult because we were unable to see what was really going on. We are too far into the project that we cannot get out of it.

RANDY STAKER: There were no public comments.

NORM JOHNSON moved to commit funds to the project as worded in the two separate staff recommendations. VICE-CHAIR STEPHENS seconded the first motion, all approved and the first motion carried. JIM LEMMON seconded the second motion, all approved and the second motion carried.

5. SLOW THE FLOW INTER-LOCAL AGREEMENT:

MARCIE LARSON: This agreement has been reviewed and updated (as it is every 5 years) by the Governor's water conservation team in regards to the water efficiency statewide campaign. Those involved are the Division of Water Resources and seven agencies (Bear River Water Conservancy District (WCD), Cache Water District, Weber Basin WCD, Jordan Valley

WCD, Metropolitan Water District of Salt Lake and Sandy, Washington County WCD, and Utah Division of Water Resources). The Division of Water Resources has a budget of \$300,000 and then each region pays an annual percentage based on their population served or represented. The Bear River Water Conservancy District's contribution is fixed at \$4,300 and the Utah Division of Water Resources is fixed at \$75,000. It is the hope that the Board will accept this inter-local agreement.

CHAIR IPSON: Any questions or comments?

VICE-CHAIR STEPHENS: How many ad agencies applied under the RFP?

MARCIE LARSON: There were 5 but one was disqualified because they did not meet the requirements, another backed out, and a third did not make the cut so there were two final interviews.

CHARLES HOLMGREN: As a member of the Bear River Water Conservancy Board, we approved this last month in our Board Meeting.

RANDY STAKER: There were no public comments.

DIRECTOR ADAMS: This is authorizing myself (DIRECTOR TODD ADAMS) to sign the agreement on behalf of the Board of Water Resources.

VICE-CHAIR STEPHENS moved to approve and adopt the inter-local agreement, WAYNE HOLMGREN seconded the motion, all approved, and the motion carried.

6. LAKE POWELL PIPELINE REPORT

CHAIR IPSON: This is a motion to file a water rights change application

SHALAIN DEBERNARDI: Water Right No. 41-3479 (A30414d) represents a portion of the Colorado River water supply allocated to the State of Utah, with a point of diversion on the Green River at Flaming Gorge Dam. This right is being held for use in the Lake Powell Pipeline Project. This change application is to seek approval for a point of rediversion at Lake Powell, and to change the place and nature of use for the Lake Powell Pipeline Project.

Staff recommends that the Board approve the change application as written, and authorize the Chairman to sign and file the change application with the State Engineer's office.

CHAIR IPSON: Any questions or comments?

This is an authorization for the Chairman to sign the agreement.

SHALAIN DEBERNARDI: This water right is owned by the Board so the Chairman will need to sign. This allows for the change application to be signed, filed, and made public.

RANDY STAKER: There were no public comments.

JIM LEMMON moved to approve the change application and authorize the Chairman to sign and file the change application with the State Engineer's office, NORM JOHNSON seconded the motion, all approved, and the motion carried.

7. DIRECTOR'S REPORT:

DIRECTOR TODD ADAMS: Typically we have an NRCS Snow Report but because of the electronic meeting, we decided to include this in the Director's Report. The water supply as of today is at about 104% statewide, 105% in the north, and 104% in the south. The low is around 90% and the high is around 134%. The precipitation is about 93% of average statewide. Reservoir capacity is at 83% which is up from 66% last year (this is great news). We know that not all reservoirs are faring that well but overall, the numbers are good. The runoff forecasts are not quite as good with the range going from 70% to 136%, with the lowest areas in Price, San Rafael, Muddy, and Fremont Rivers and the highest is Sevier near Kingston.

In our last meeting, we had discussed having a Board Tour in Washington County or Blanding but the tour will be in October in Washington County. The next few meetings will be May 14th and June 6th.

The staff of the Department of Water Resources has been excellent through this process and the continued work has been most impressive. Each of the Board Members have been exceptional through these unusual circumstances as well.

CHAIR IPSON: Thank you Director Adams. Water banking legislation passed?

DEPUTY DIRECTOR CANDICE HASENYAGER: Yes, the water banking legislation did pass. We are working with the Bureau of Reclamation (BOR) to finalize the WaterSMART grant and trying to anticipate what will happen in these special legislation sessions with budget cuts and other issues.

CHAIR IPSON: Thank you to everyone who has worked hard to make this meeting possible. There is a lot going on and the platters are full for everyone but we appreciate each and every one of you.

VICE-CHAIR STEPHENS moved to adjourn the meeting.

May 2020