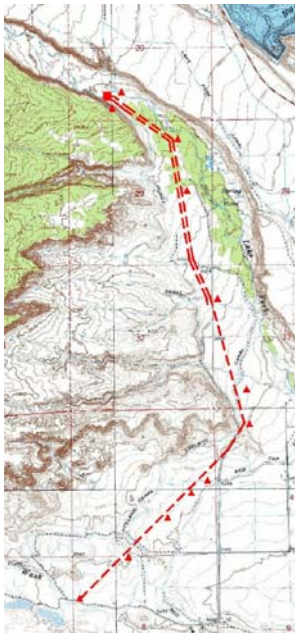


# Board of Water Resources Board Meeting

TBA  
August 6, 2020



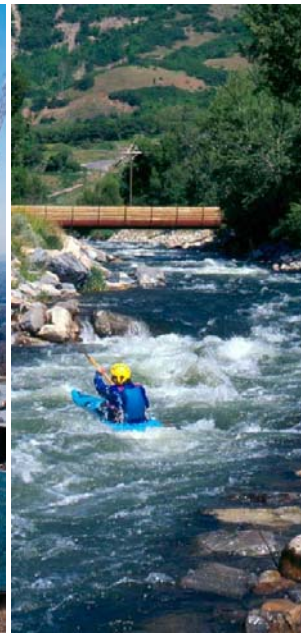
PLAN



CONSERVE



DEVELOP



PROTECT



Division of Water Resources 1594 West North Temple, #310 SLC, Utah 84114-6201

# UTAH BOARD OF WATER RESOURCES

August 6, 2020

## MINUTES

June 18, 2020

### 2020 Calendar

January						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
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February						
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March						
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April						
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May						
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August						
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September						
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October						
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November						
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29	30					

December						
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20	21	22	23	24	25	26
27	28	29	30	31		

#### 2020 Board Meeting Schedule

August 6 - Virtual

October 8 - TBA

December 3 - TBA

**Agenda**  
**Utah Board of Water Resources**  
**Virtual Board Briefing Meeting**

August 6, 2020

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**

August 6, 2020

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/JNR393p5i7c>

Board Meeting: <https://youtu.be/qeC213iRlxl>

**APPROVAL OF MINUTES**

<b><u>Proj. No.</u></b>	<b><u>Applicant</u></b>	<b><u>County</u></b>	<b><u>Proj. Manager</u></b>
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**FEASIBILITY REPORTS:**

RE440	Nibley Blacksmith Fork Irrigation Company	Cache	Russell Hadley
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**COMMITTAL OF FUNDS:**

RE417	Peoa South Bench Canal & Irrigation Company	Summitt	Jaqueline Pacheco
RE427	Ashley Central Irrigation Company	Uintah	Jaqueline Pacheco
RE434	Salem City	Utah	Marisa Egbert
RE436	Muddy Creek Irrigation Company	Emery	Jaqueline Pacheco
RC064	Sevier Valley Canal Company	Sevier	Tom Cox
RC065	Whiterocks Irrigation Company	Uintah	Ben Marett

**SPECIAL ITEMS:**

RE437	American Fork City (Auth & Comm)	Utah	Jaqueline Pacheco
RL585	Powder Mountain WSID (Re-Auth & Comm)	Weber	Ben Marett
RE395	Burns Bench Irrigation Company (Add Funds)	Uintah	Jaqueline Pacheco
RE421	West Cache Irrigation Company (Add Funds)	Cache	Russell Hadley
RE401	West Porterville Irrigation Co (Modify terms)	Weber	Ben Marett

**NEW APPLICATIONS:**

**PLANNING REPORT:**

State Water Plan update - Rachel Shilton

**LAKE POWELL PIPELINE REPORT:**

Update report - Joel Williams

**BEAR RIVER DEVELOPMENT REPORT:**

Purchasing and updates - Marisa Egbert

**DIRECTOR'S REPORT:**

**ADJOURNMENT**



# BOARD OF WATER RESOURCES

## Feasibility Report



**Applicant:** **Nibley Blacksmith Fork Irrigation Company**

**Project Number:** RE440  
**Fund:** Conservation & Development Fund  
**Cost Estimate:** \$820,000

**Application Received:** 5/29/2020  
**Board Meeting Date:** 8/6/2020

**Board Member:** Charles Holmgren  
**Project Manager:** Russell Hadley

**Project Summary:** The purpose of the project is to pipe 2,200 feet of canal, and upgrade the headworks at the Blacksmith Fork River diversion.

**Recommendation:** Staff recommends the board authorize 53.9% of the project cost, up to \$442,000, and that the project be purchased at 0.15% interest over 15 years with annual payments of approximately \$29,900.

### Project Contacts:

**President:**  
Paul Leishman  
136 N. 100 E.  
Wellsville, UT 84339  
435-757-1138

**Secretary:**  
Jay Tuddenham  
4785 Hollow Rd.  
Nibley, UT 84321  
435-757-5512

**Engineer:**  
Scott Archibald, Sunrise Eng.  
26 South Main  
Smithfield, UT 84335  
435-563-3734



## **Location**

The proposed project is located in Nibley City in Cache County.

## **Introduction & Background**

The applicant serves about 3,100 acres of agricultural land and 181 homes lawn and garden water. Water is obtained primarily from the Blacksmith Fork River and distributed through about 20 miles of piping and open earthen ditches. The applicant received financial assistance from the Board in 1966.

## **Existing Conditions & Problems**

As the population of Nibley has grown, agricultural property has been developed into residential property. Approximately, 2,200 feet of the applicant's open earthen canal remain in the residential area. Of the 181 homes served lawn and garden water by the open earthen canal, about 11 homes have been built below it and could flood if the canal broke. Although there have not been any problems yet, the applicant is concerned about safety issues related to the canal. Trash and yard debris also gets into the canal that is then introduced into the downstream piped system.

Additionally, the diversion at the Blacksmith Fork River is deteriorated and becoming more difficult to operate. The stop-logs in the river must be manually adjusted which is dangerous for the operator, and the gates are manually operated.

## **Proposed Project**

The purpose of the project is to pipe 2,200 feet of earthen canal, and to upgrade the headworks at Blacksmith Fork River with a motorized system and telemetry controls. Sunrise Engineering will provide design and construction services.

## **Benefits**

Construction of the project would conserve approximately 814 acre-feet, eliminate safety issues from the open canal, eliminate much of the trash and yard debris from getting into the system, and make the system easier to operate.

## **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	\$52,000	\$52,000
2	Tree removal	1	LS	29,000	29,000
3	36" PVC Pipe	2,200	LF	103	226,600
4	Imported bedding material	2,200	LF	11	24,200
5	Imported backfill material	1,000	LF	23	23,000
6	Imported topsoil	1,000	LF	6	6,000
7	New concrete diversion box	1	LS	45,500	45,500
8	Landscaping	LS	LS	6,000	6,000
9	Remove and replace asphalt	LS	LS	11,500	11,500
10	Main diversion & telemetry metering	LS	LS	150,000	150,000
11	Traffic control	LS	LS	11,400	11,400
12	Subsurface investigation	LS	LS	4,300	4,300
<b>Construction Cost</b>					<b>\$589,500</b>
Contingency					58,950
Design & Construction Engineering					150,000
Legal and Administrative					21,550
<b>TOTAL</b>					<b>\$820,000</b>

## Cost Sharing & Repayment

The recommended cost sharing and repayment are:

Agency	Cost Sharing	% of Total
Board of Water Resources	\$442,000	53.9%
WaterSMART Grant	300,000	36.6
Applicant	78,000	9.5
<b>TOTAL</b>	<b>\$820,000</b>	<b>100%</b>

Staff recommends the board authorize 53.9% of the project cost, up to \$442,000, and that the project be purchased at 0.15% interest over 15 years with annual payments of approximately \$29,900.

STAFF COMMENT: The applicant would also like to request a waiver for the requirement that residential landscapes not be allowed to water between the hours of 10 a.m. and 6 p.m. (See Applicant's Responsibilities, Paragraph 7.) The applicant sells lawn and garden water to local HOAs and states they have no control over the watering times allowed by the HOAs.

## Financial Feasibility

Construction of the project will benefit both the agricultural users and lawn and garden users. Agricultural users account for 2,450 shares and Lawn and Garden users account for 200 shares; agricultural users account for 92.45% of the shares and Lawn & garden users account for 7.55% of the shares.

The applicant's agricultural water is currently assessed at \$16/acre.  
Benefits of having an extra 814 acre-feet applied to crops is as follows:

Benefit	Amount
Estimated Annual Net Increased Crop Income	\$69,190
Reduced Operation & Maintenance Costs	4,000
<b>NET ANNUAL BENEFIT</b>	<b>\$73,190</b>

As the board cost sharing is 53.9% of the project, the board could expect 53.9% of the benefits for repayment for the agricultural portion. That would allow \$39,449 for payment for the agricultural benefit of the project.

For the homeowner's cost of water, Nibley City has an affordability of \$72.92 for all water. The current cost of water for all domestic water for 181 homes is as follows:

Water Cost	Annual Cost	Cost/Conn/Mo
Avg. Water Bill from Nibley City	\$32,580	\$15.00
Avg. Secondary Lawn Water Assessment (\$30/year)	5,430	2.50
Pumping cost paid to local HOA	65,160	30.00
Board Loan payment needed to bring up to affordability	55,212	25.42
<b>TOTAL</b>	<b>\$158,382</b>	<b>\$72.92</b>

As shown, the homeowners are currently paying well below the board's affordability guideline. If the homeowner's water costs were raised by \$25.42/month to bring them to the board's affordability guideline, that would provide \$55,212 for payment for the lawn and garden portion.

When both the agricultural and possible lawn water benefits are added together, a payment of (\$39,449 + \$55,212) \$94,661 could be expected. However, that payment could pay off the loan within five years while the board currently allows a minimum of 15 years for repayment.

Therefore, repayments recommended are as follows;

The agricultural portion (92.45%) being repaid at 0% interest over 15 years

The lawn and garden portion (7.55%) being repaid at 1.97% interest over 15 years

This means the weighted interest rate will be 0.15% over 15 years

## Water Rights & Supply

Water rights related to this project are as follows:

Water Right Number	Source & Flow
25-4526	39.9 cfs - Blacksmith Fork River
25-4527	10 cfs – Blacksmith Fork River
25-4726	1.1 cfs -Underground Well
25-3493	7 cfs – Underground well



## Easements

The applicant states that they currently only have prescriptive easements on their canal. These will be finalized into legal easements by their attorney.

## Environmental

No adverse environmental effects are expected beyond the usual dust and noise of the construction phase. There could be an environmental benefit as some water saved by the project could flow to the Bear River Bird Refuge.

## Water Conservation

Approximately 814 acre-feet of water is expected to be saved by this project.

## Applicant's Responsibilities

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

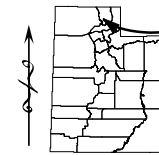
1. Obtain all easements, rights-of-way, and permits required to construct, operate, and maintain the project.
2. Pass a resolution by the appropriate majority (as defined in the company's Articles of Incorporation and Bylaws) authorizing its officers to do the following:
  - a. Assign properties, easements, 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. Submit or 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.
7. Adopt a rule prohibiting its users from irrigating landscapes between the hours of 10:00 a.m. and 6:00 p.m.

Nibley City

# Nibley Blacksmith Fork Irrigation Company

## *Proposed Canal Piping and Diversion Project*

Cache County

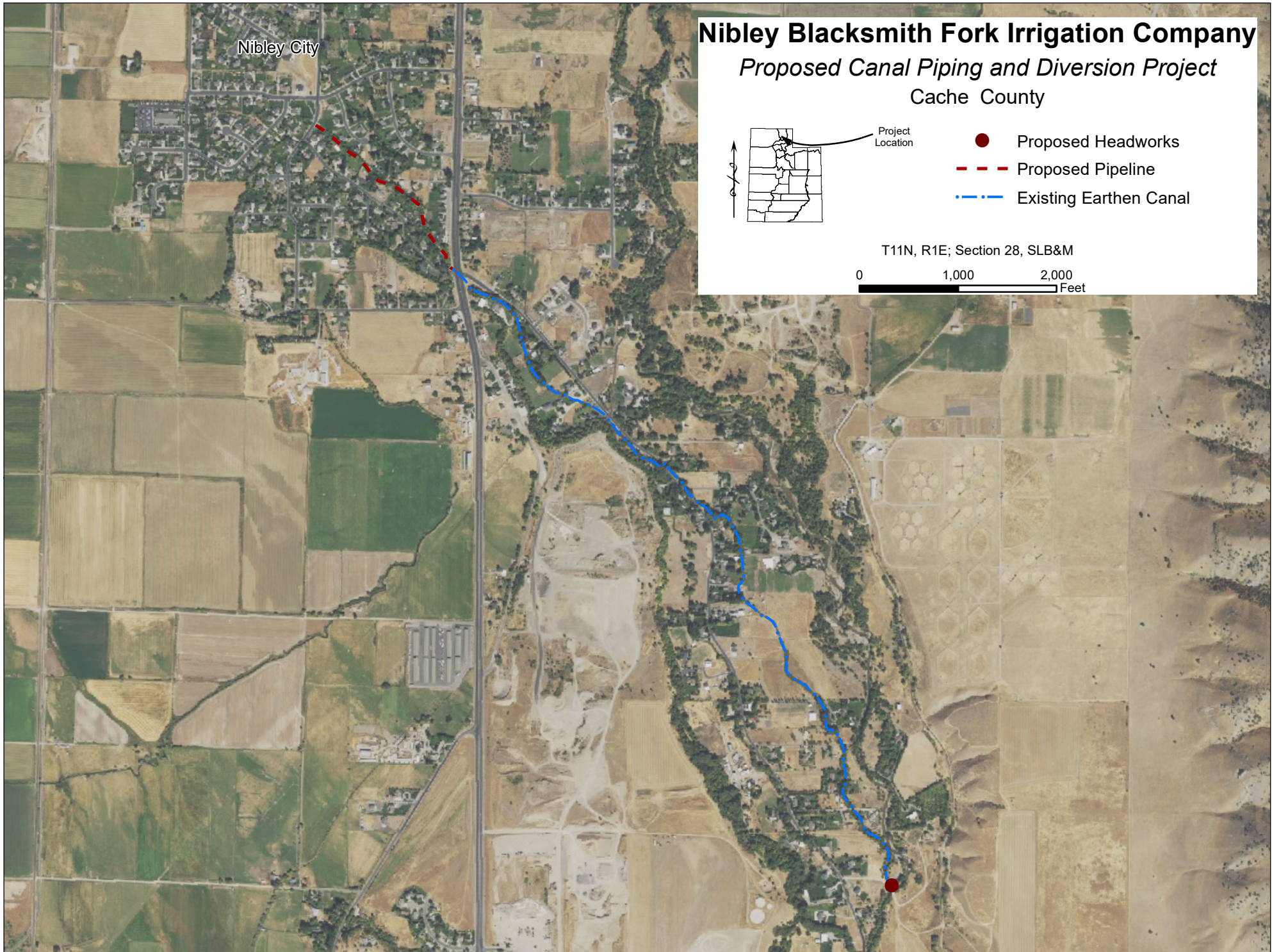


Project  
Location

- Proposed Headworks
- - - Proposed Pipeline
- · - Existing Earthen Canal

T11N, R1E; Section 28, SLB&M

0 1,000 2,000  
Feet





**BOARD OF WATER RESOURCES**  
**Committal of Funds**



**Applicant:** **Peoa South Bench Canal & Irrigation Company**

**Project Number:** RE417  
**Fund:** Revolving Construction Fund  
**Total Cost:** \$2,246,000

**Application Received:** 10/9/2018  
**Authorized:** 1/31/2019  
**Board Meeting Date:** 8/6/2020

**Board Member:** Kyle Stephens  
**Project Manager:** Jaqueline Pacheco

**Project Summary:** The purpose of the project is to replace the current canal system with 19,760 feet of 27-inch PIP PVC pipe and 32-inch HDPE pipe, construct a new fish-friendly screening structure, metering, and underwater micro-hydro turbine station that will produce 588 kWh of energy per year.

**Recommendation:** Staff recommends the board commit 44.5% of the project cost, up to \$1,000,000, and that the project be purchased at 0% interest over 25 years, with annual payments of approximately \$40,000.

**Project Contacts:**

**President:**  
Dave Lake  
PO Box 32  
Oakley, UT 84055  
435-659-0003

**Secretary:**  
Sam Turpin  
1501 Stevens Lane  
Peoa, UT 84061  
801-913-9914

**Engineer:**  
Brian Deeter - J-U-B Engineers  
466 North 900 West  
Kaysville, UT 84037  
801-547-0393



## Location

The proposed project is located near Oakley City in Summit County.

## Project Summary

The proposed project will replace the current canal system with a pressurized system, including 14,850 feet of 27-inch PIP PVC pipe and 4,910 feet of 32-inch HDPE pipe. The pressurized system will follow a modified alignment along existing property lines, fences, and existing access roads. Additionally, a new fish-friendly screening structure and metering station will be installed, along with an underwater micro-hydro turbine station that will produce 588 kWh of energy annually.

## Cost Estimate & Sharing

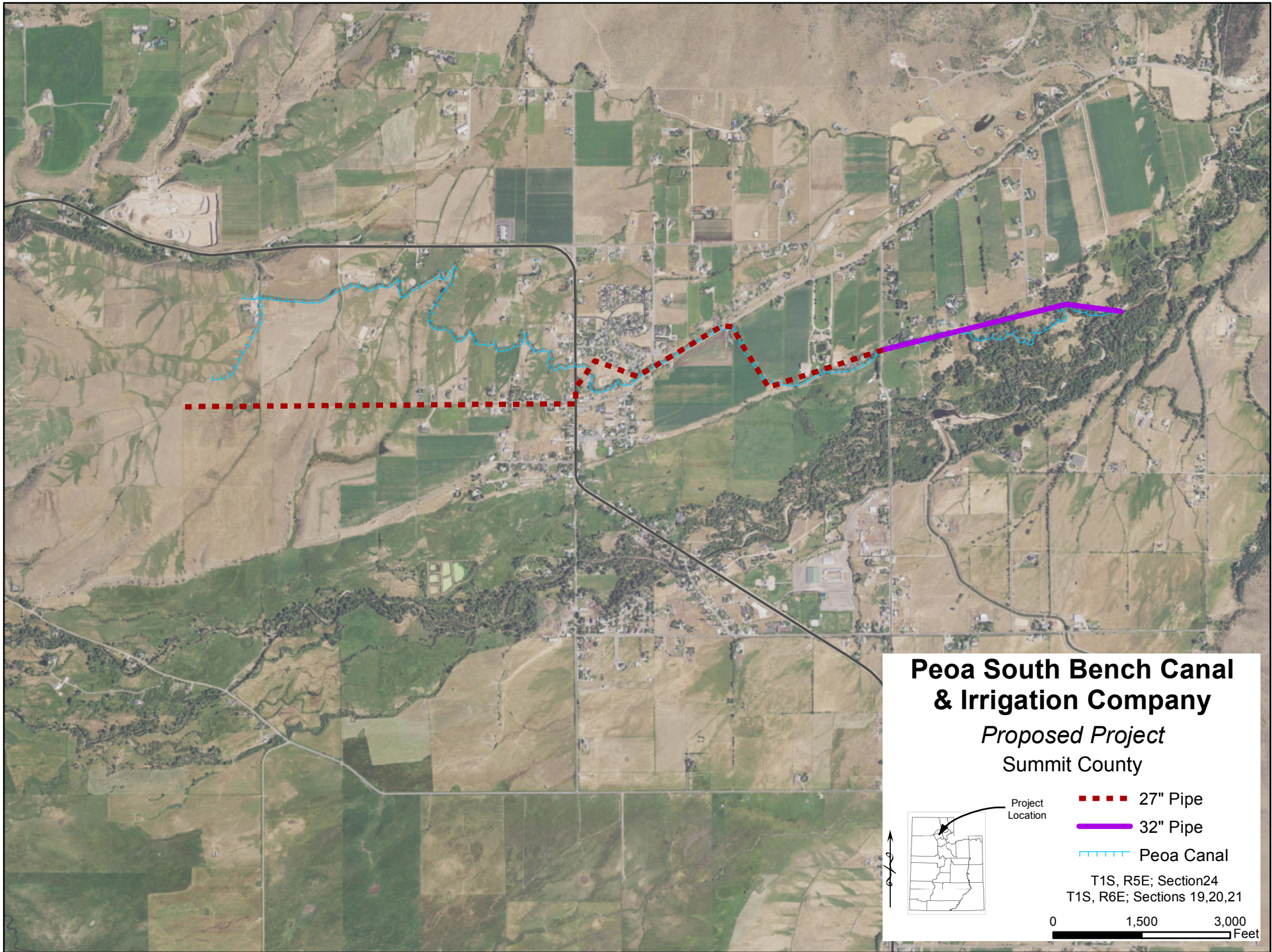
The cost estimate and sharing remain as authorized:

Agency	Authorized Cost Sharing	% of Total
Board of Water Resources	\$1,000,000	44.5%
WaterSMART Grant	1,000,000	44.5
Applicant	246,000	11.0
<b>TOTAL</b>	<b>\$2,246,000</b>	<b>100%</b>

## Repayment

Staff recommends the board commit 44.5% of the project cost, up to \$1,000,000, and that the project be purchased at 0% interest over 25 years, with annual payments of approximately \$40,000.







**BOARD OF WATER RESOURCES**  
**Committal of Funds**



**Applicant:** **Ashley Central Irrigation Company**

**Project Number:** RE427  
**Fund:** Revolving Construction Fund  
**Total Cost:** \$2,186,000

**Application Received:** 4/29/2019  
**Authorized:** 8/8/2019  
**Board Meeting Date:** 8/6/2020

**Board Member:** Randy Crozier  
**Project Manager:** Jaqueline Pacheco

**Project Summary:** The purpose of the project is to pipe approximately 2.4 miles of canal within and near Vernal City to reduce seepage, increase conveyance efficiencies, and improve safety.

**Recommendation:** Staff recommends the board commit 45.7% of the project cost, up to \$1,000,000, and that the project be purchased at 0% interest over 25 years, with annual payments of approximately \$40,000.

**Project Contacts:**

**President:**  
Wayne Simper  
44 W. 100 N.  
Vernal, UT 84078  
435-790-7111

**Secretary:**  
Shirley Slaugh  
44 W. 100 N.  
Vernal, UT 84078  
435-789-3212

**Engineer:**  
Brian Deeter  
J-U-B Engineers  
466 N. 900 W.  
Kaysville, UT 84037  
801-547-0393



## Location

A portion of the project is located within Vernal City and the rest is located in unincorporated Uintah County just outside of the Vernal City limits.

## Project Summary

The purpose of the project is to replace approximately 2.4 miles of unlined canal with HDPE pipe ranging from 26 to 36 inches in diameter, install a screening/overflow structure, and install user turnout meters. The canal is used by Vernal City for stormwater runoff and will be left open.

## Cost Estimate & Sharing

The cost estimate and sharing remain as authorized:

Agency	Authorized Cost Sharing	% of Total
Board of Water Resources	\$1,000,000	45.7%
WaterSMART Grant	900,000	41.2
Applicant	286,000	13.1
<b>TOTAL</b>	<b>\$2,186,000</b>	<b>100%</b>

## Repayment

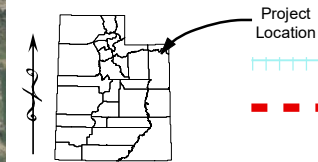
Staff recommends the board commit 45.7% of the project cost, up to \$1,000,000, and that the project be purchased at 0% interest over 25 years, with annual payments of approximately \$40,000.



# Ashley Central Irrigation Company

## Proposed Pipeline Project

Uintah County



Existing Canal

Proposed Piping

T4S, R21WE; Sections 27 & 34

0 0.5 1 Miles

Vernal



# BOARD OF WATER RESOURCES

## Committal of Funds



**Applicant:** Salem City

**Project Number:** RE434

**Fund:** Conservation and Development Fund

**Total Cost:** \$2,100,000

**Application Received:** 2/4/2020

**Authorized:** 4/9/2020

**Board Meeting Date:** 8/6/2020

**Board Member:** Wayne Andersen

**Project Manager:** Marisa Egbert

**Project Summary:** The project includes the installation of about 1,900 secondary water meters throughout the City's service area.

**Recommendation:** Staff recommends the board commit 72.8% of the project cost, up to \$1,530,000, and that the bonded indebtedness be returned at 1% interest over 15 years with annual payments of approximately \$119,000 (includes reserves).

### Project Contacts:

Mayor:  
Kurt Christensen  
30 West 100 South  
Salem, UT 84653  
801-423-2770

City Engineer:  
Bruce Ward  
30 West 100 South  
Salem, UT 84653  
801-423-2770

Treasurer:  
Tammy Beck  
30 West 100 South  
Salem, UT 84653  
801-423-2770

Engineer:  
Steve Jones  
Hansen, Allen & Luce  
859 W. South Jordan Parkway  
Suite 200  
South Jordan, UT 84095  
801-566-5599



## Location

The proposed project is located in Salem City in Utah County.

## Project Summary

The project includes the installation of about 1,900 secondary water meters throughout the City's service area.

## Cost Estimate & Sharing

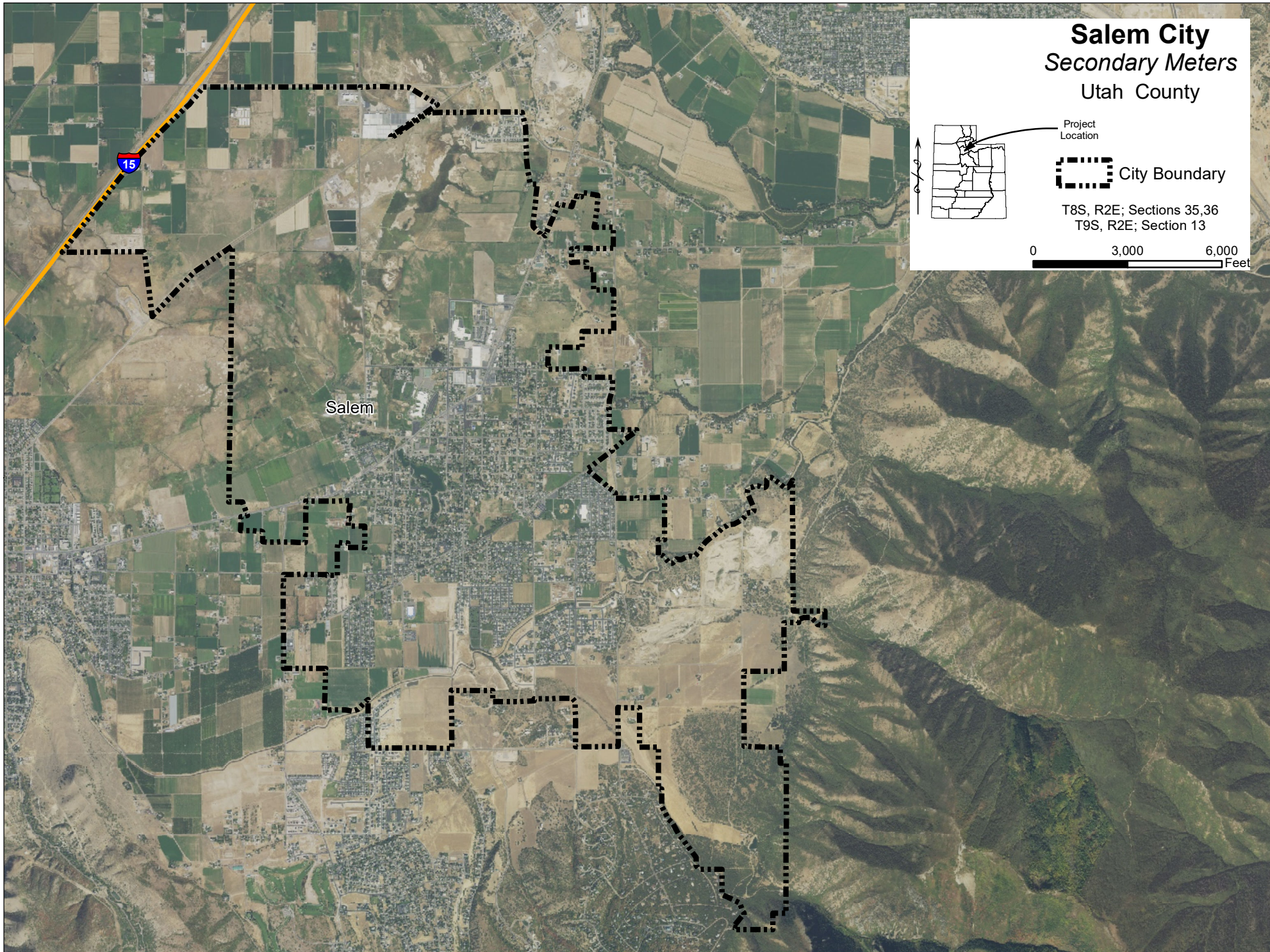
The cost estimate and sharing remain as authorized.

Agency	Authorized Cost Sharing	% of Total
Board of Water Resources	\$1,530,000	72.8%
WaterSMART Grant	300,000	14.3
Applicant	270,000	12.9
<b>TOTAL</b>	<b>\$2,100,000</b>	<b>100%</b>

## Repayment

Staff recommends the board commit 72.8% of the project cost, up to \$1,530,000, and that the bonded indebtedness be returned at 1% interest over 15 years, with annual payments of approximately \$119,000 (includes reserves).





# Salem City

## Secondary Meters

### Utah County

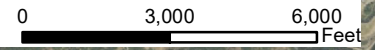


Project Location



City Boundary

T8S, R2E; Sections 35,36  
T9S, R2E; Section 13





**BOARD OF WATER RESOURCES**  
**Committal of Funds**



**Applicant:** **Muddy Creek Irrigation Company**

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

**Application Received:** 3/5/2020  
**Authorized:** 5/14/2020  
**Board Meeting Date:** 8/6/2020

**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 commit 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.

## Project Summary

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.

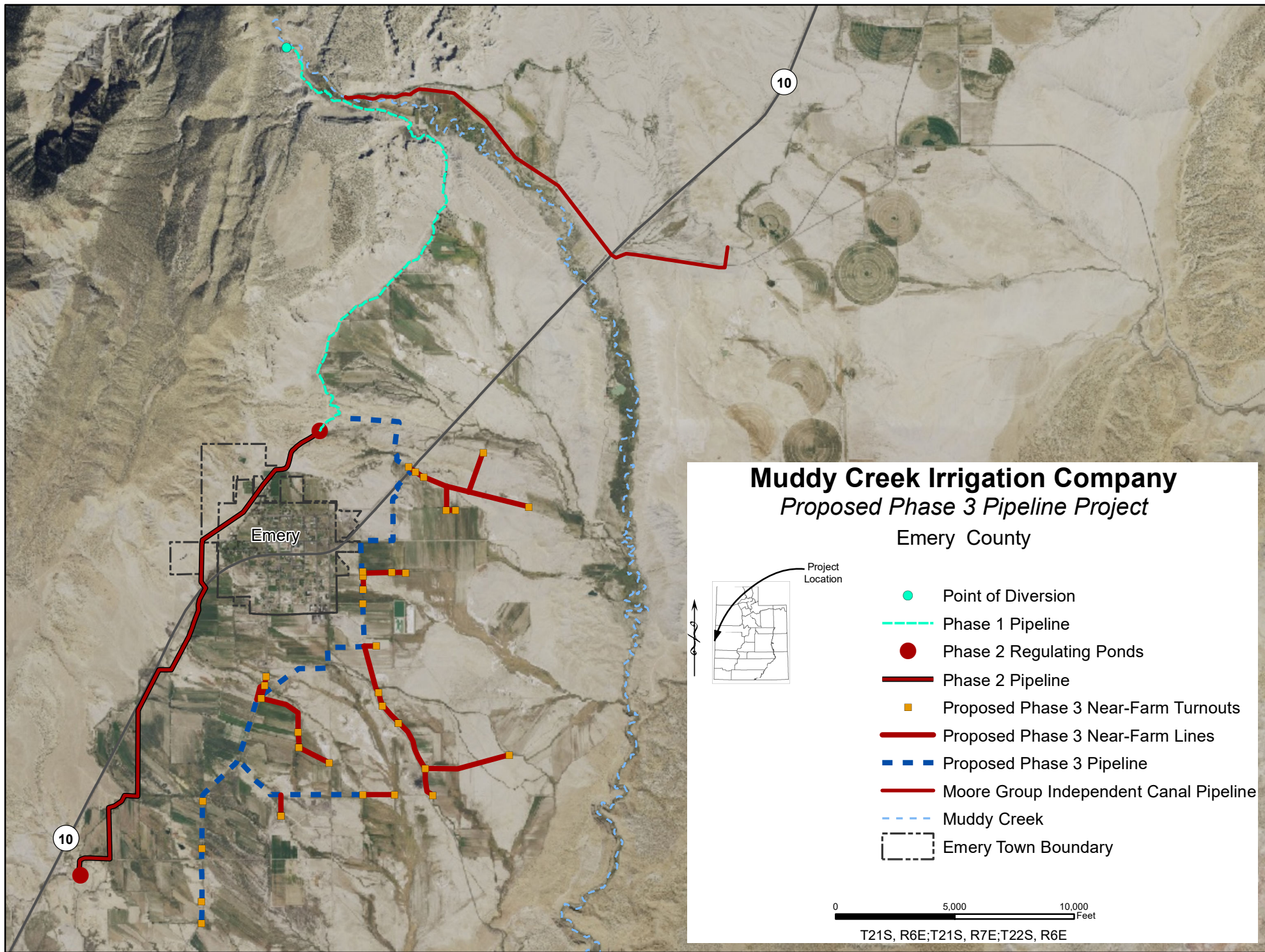
## Cost Estimate & Sharing

The cost estimate and sharing remain as authorized:

Agency	Authorized Cost Sharing	% of Total
Board of Water Resources	\$850,000	15.2%
Bureau of Reclamation – Salinity Control Grant	4,583,000	82.1
Applicant	150,000	2.7
<b>TOTAL</b>	<b>\$5,583,000</b>	<b>100%</b>

## Repayment

Staff recommends the board commit 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.



# BOARD OF WATER RESOURCES

## Dam Safety Report



**Applicant:** **Sevier Valley Canal Company**

**Project Number:** RC064  
**Fund:** Revolving Construction Fund  
**Total Cost:** \$130,000

**Application Received:** 2/10/2020  
**Board Meeting Date:** 8/6/2020

**Board Member:** Blaine Ipson  
**Project Manager:** Tom Cox

**Project Summary:** The purpose of the project is to line the leaking corrugated metal outlet pipe of Three Creeks Dam as part of the necessary dam safety upgrades.

**Recommendation:** Staff recommends the board commit 90% of the project cost, up to \$117,000, as a dam safety grant and 10% of the project cost, up to \$13,000, as a loan to be returned at 0% interest over 10 years with annual payments of approximately \$1,300.

### Project Contacts:

**President:**  
Dustin Christensen  
3150 N. 2350 E.  
Richfield, UT 84701  
435-896-7445

**Secretary:**  
Rachel Barney  
PO Box 54  
Richfield, UT 84701  
435-979-1701

**Engineer:**  
Kelly Chappell, P.E.  
Ensign Engineering  
225 North 100 East  
Richfield, UT 84701  
435-896-2983



## Location

The proposed project is located 10 miles northwest of the community of Sevier in Sevier County.

## Project Summary

Three Creeks Dam is owned and operated by Sevier Valley Canal Company. It was constructed in the 1880's, is 22 feet high, 620 feet long and has a capacity of approximately 1,000 acre-feet. The dam is rated High Hazard by the Division of Water Rights, Dam Safety Office, because of the damage it would cause if it failed. State minimum standard deficiencies include undersized spillway capacity, uneven crest, steep slopes, stability issues and seepage. The most urgent issue; however, is that the dam's corrugated metal outlet pipe is corroded and leaking, creating a possible piping situation which could lead to dam failure.

The purpose of the project is to line the 30-inch diameter corrugated metal outlet pipe with 24-inch HDPE and construct a new intake structure with gate. Additional dam safety improvements will need to be made in the future when additional dam safety grant funds are available.

## Water Rights

Water Right 63-3074 allows the applicant to store 1,000 acre-feet of water in Three Creeks Reservoir.

## Cost Estimate & Sharing

The estimated cost of the project is \$130,000. The recommended cost sharing is as follows:

Agency	Proposed Cost Sharing	% of Total
Board of Water Resources Dam Safety Grant	\$117,000	90%
Board of Water Resources Dam Safety Loan	13,000	10
<b>TOTAL</b>	<b>\$130,000</b>	<b>100%</b>

Staff recommends the board commit 90% of the project cost, up to \$117,000, as a dam safety grant and 10% of the project cost, up to \$13,000, as a loan to be returned at 0% interest over 10 years with annual payments of approximately \$1,300.



# BOARD OF WATER RESOURCES

## Dam Safety Report



**Applicant:** **Whiterocks Irrigation Company**

**Project Number:** RC065  
**Fund:** Revolving Construction Fund  
**Total Cost:** \$360,000

**Application Received:** 3/9/2020  
**Board Meeting Date:** 8/6/2020

**Board Member:** Randy Crozier  
**Project Manager:** Ben Marett

**Project Summary:** The purpose of the project is to install a seepage collection system and a filter drain near the outlet works of Paradise Park Dam.

**Recommendation:** Staff recommends the board commit 90% of the project cost, up to \$324,000, as a dam safety grant.

### Project Contacts:

**Primary Contact:**  
Tyson Murray, President  
PO Box 301  
Lapoint, UT 84039  
435-790-2025

**Secondary Contact:**  
Jose Nyberg, Secretary  
PO Box 301  
Lapoint, UT 84039  
435-630-4595

**Engineer:**  
Eric Major  
45 S 200 W  
Roosevelt, UT 84066  
435-722-2867



## Location

The proposed project is located about 22 miles northwest of Lapoint in Uintah County.

## Project Summary

Paradise Park Reservoir is located on the southern slope of the Uinta Mountains. It was constructed in 1924. At its crest the dam is 42 feet tall, 1,500 feet long, is situated at an elevation of 9,958 feet, and can impound approximately 4,060 acre-feet of water.

Seepage and sediment transport have been observed near the outlet structure of the dam since 2011. It has been noted through consistent monitoring that sediment continues to accumulate, which may be indicative of piping that has the potential to cause catastrophic failure of the dam. The Division of Water Rights, Dam Safety Office, performed an inspection of the dam in the Fall of 2019. They determined it would be necessary to impose storage restrictions on the dam unless measures were taken to eliminate sediment piping.

The proposed project includes installing a seepage collection system and a filter drain near the outlet works that will allow improved monitoring, and continued operation, without the imposition of storage restrictions. Additional dam safety improvements will need to be made in the future when additional dam safety grant funds are available.

## Cost Estimate & Sharing

The estimated cost of the project is \$360,000. The recommended cost sharing is as follows:

Agency	Proposed Cost Sharing	% of Total
Board of Water Resources	\$324,000	90%
Applicant	36,000	10
<b>TOTAL</b>	<b>\$360,000</b>	<b>100%</b>

Staff recommends the board commit 90% of the project cost, up to \$324,000, as a dam safety grant.



**BOARD OF WATER RESOURCES**  
**Special Item – Authorization & Committal**



**Applicant:** **American Fork City**

**Project Number:** RE437  
**Fund:** Conservation and Development Fund  
**Cost Estimate:** \$25,900,000

**Application Received:** 4/9/2020  
**Board Meeting Date:** 8/6/2020

**Board Member:** Wayne Andersen  
**Project Manager:** Jaqueline Pacheco

**Project Summary:** The purpose of the project is to replace approximately 5.7 miles of old and undersized main line pipes and develop a new well that will be connected to the city's culinary water system. New culinary service connects and fire hydrants will also be installed within the project area.

**Recommendation:** Staff recommends the board authorize and commit 85% of the project cost, up to \$22,015,000, and that the bonded indebtedness be returned at 1% interest over 30 years with annual payments of approximately \$886,000 (including reserves).

**Project Contacts:**

**Mayor:**  
Brad Frost  
51 E. Main St.  
American Fork, UT 84003  
801-763-3000

**Secondary Contact:**  
Anna Montoya, Finance  
Director  
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.

## Introduction & Background

American Fork City provides culinary and secondary water to approximately 33,000 residents. There are approximately 8,651 residential, 648 commercial, 68 institutional, and 1 industrial connections. The water distribution system consists of more than 170 miles of main lines, five wells, two springs and three storage tanks with a combined capacity of 14.5 million gallons.

## Existing Conditions & Problems

Several pipe segments on the main line are undersized and routinely cause system outages due to breaks and leaks. There is currently a development moratorium in effect due to American Fork not being able to supply additional water.

## Proposed Project

The purpose of the project is to replace approximately 5.7 miles of old and undersized main line pipes with ductile iron pipe in various diameters and develop a new well that will be connected to the city's culinary water system. New culinary service connections and fire hydrants will also be installed within the project area.

The project fits in Prioritization Category 2 (municipal water projects that are required to meet an existing or impending need).

## Benefits

The systems improvements will provide adequate fire protections and culinary water to high-growth areas, add water supply to the city's system, and lift the development moratorium.

## 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
Transmission Pipeline					
1	Mobilization	1	LS	\$800,000	\$800,000
2	10-inch Pipe	750	LF	74	55,500
3	16-inch Pipe	1,300	LF	120	156,000
4	18-inch Pipe	8,300	LF	155	1,286,500
5	24-inch Pipe	1,300	LF	230	299,000
6	30-inch Pipe	3,900	LF	325	1,267,500
7	36-inch Pipe	13,850	LF	430	5,955,500
8	Fire Hydrants	65	EA	6,200	403,000
9	Service Connections	588	EA	1,725	1,014,300
10	42-inch Boring (Railroads)	900	LF	1,000	900,000



11	Class A Road Repair	294,000	SF	5	1,470,000
12	Imported Backfill	8,820	TON	20	176,400
13	Valves and Fittings	1	LS	2,700,000	2,700,000
14	Traffic Control	1	LS	180,000	180,000
15	Utility Relocation	1	LS	230,000	230,000
Southwest Well					
16	Mobilization	1	LS	160,000	160,000
17	20-inch Pipe	400	LF	100	40,000
18	Fire Hydrants	1	EA	6,100	6,100
19	Water Supply Wells	1	EA	3,100,000	3,100,000
20	Imported Backfill	2,400	SF	5	12,000
21	Valves and Fittings	120	TON	20	2,400
22	Traffic Control	1	LS	8,800	8,800
23	Utility Relocation	1	LS	1,000	1,000
24		1	LS	1,000	1,000
<b>Construction Cost</b>					<b>\$20,225,000</b>
Contingency					2,025,000
Design & Construction Engineering					3,040,000
Legal and Administrative					407,000
Permits, Fees & Testing					203,000
<b>TOTAL</b>					<b>\$25,900,000</b>

## Cost Sharing & Repayment

The recommended cost sharing and repayment are:

Agency	Cost Sharing	% of Total
Board of Water Resources	\$22,015,000	85 %
Applicant	3,885,000	15
<b>TOTAL</b>	<b>\$25,900,000</b>	<b>100%</b>

Staff recommends the board authorize and commit 85% of the project cost, up to \$22,015,000, and that the bonded indebtedness be returned at 1% interest over 30 years with annual payments of approximately \$886,000 (including reserves).

## Economic Feasibility

There is no alternative for American Fork City to expand their culinary water system and lift the development moratorium without the project. Therefore, the benefit/cost ratio is 1.0.

## Financial Feasibility

The board's affordability guidelines suggest that the community can afford to pay \$58.80 per month



for water. The current average monthly culinary water bill is approximately \$33.75 and the secondary water is about \$23.31 for a total of \$57.06.

Water Cost	Annual Cost	Cost/Conn/Mo
Average Water Bill	\$3,503,655	\$33.75
Average Secondary Water Bill	2,419,858	23.31
Proposed Board of Water Resources Loan	886,000	8.53
<b>TOTAL</b>	<b>\$6,809,513</b>	<b>\$65.59</b>

### Water Rights & Supply

American Fork City has more than 160 water rights that total over 10,000 acre-feet of water. The majority of these water rights are approved for municipal use.

### Easements

The applicant currently holds all easements and rights-of-way for the proposed project.

### Environmental

No long-term environmental impact is foreseen because of the project.

### Water Conservation

The project is not expected to conserve any water.

### Applicant's Responsibilities

The applicant will be required to make all arrangements to sell the board a non-voted revenue bond, as well as verify it has adequate water rights and rights-of-way to construct the project. If the project is authorized and committed, a full list of requirements and procedures necessary to close the bond will be furnished to the applicant.



American Fork City

89

15

# American Fork City Proposed Project Utah County



Project  
Location

- Proposed Pipeline
- Proposed Well

T5S, R1E; Sections 13, 21-24

0 1,500 3,000 Feet



**BOARD OF WATER RESOURCES**  
**Special Item – Reauthorization and Committal of Funds**



**Applicant:** **Powder Mountain Water & Sewer ID**

**Project Number:** RL585  
**Fund:** Cities Water Loan Fund  
**Cost Estimate:** \$1,868,000

**Application Received:** 1/18/2019  
**Authorized:** 3/20/2019  
**Board Meeting Date:** 8/6/2020

**Board Member:** Kyle Stephens  
**Project Manager:** Ben Marett

**Project Summary:** The purpose of the project is to redevelop Pizzle Springs, construct and rehabilitate three booster pump stations, construct a 250,000-gallon water storage tank, and lay new pipe to connect the tank to the distribution network.

**Recommendation:** Staff recommends the board reauthorize and commit 85% of the project cost, up to \$1,588,000, and that the bonded indebtedness be returned at 1% interest over 30 years with annual payments of approximately \$64,000 (including reserves).

**Project Contacts:**

**Manager:**  
Roy Watts  
298 24th St, Ste 150  
Ogden, UT 84401  
801-510-2093

**Secretary:**  
Carrie Zenger  
298 24th St, Ste 150  
Ogden, UT 84401  
801-983-2727

**Engineer:**  
Jim Milligan, P.E.  
12401 S 450 E, Building C-2  
Draper, UT 84020  
801-571-9414



## **Location**

The proposed project is located five miles north of Eden in Weber County.

## **Introduction & Background**

The Powder Mountain Water & Sewer Improvement District (PMWSID) provides water year-round to approximately 140 residential and 64 commercial connections. Because there are more than 100 connections, the applicant is required to have a minimum of two water sources. Until recently, the applicant met this requirement using Hidden Lake Well (which is owned by a developer) and Pizzle Spring. A determination made by the Division of Drinking Water in June of 2016 indicated Pizzle Spring was under the direct influence of surface water and, because of this, it is not suitable for potable use without treatment.

To replace the condemned spring, the applicant drilled Cobabe Well which was, in conjunction with Hidden Lake Well, intended to provide the required redundant water source. Cobabe Well was drilled with funding assistance provided by the Board of Water Resources. Unfortunately, Cobabe Well was not capable of producing more than about 50 gpm. This is an insufficient quantity of water to justify full completion of the well.

## **Existing Conditions & Problems**

Investigation of the Pizzle Springs complex revealed that an undocumented pipe network buried in the hillside gathers water. It was further discovered through testing that a select few pipes were responsible for the surface contamination which resulted in the condemnation of the spring. Although the surface contamination source has been located, the Division of Drinking Water requires the spring to be redeveloped as a new source in order to be used.

There is currently a water tank which is used to reduce pump cycle time and to provide water during peak demand periods. This tank is nearing the end of its useful life and needs to be replaced.

There are currently two booster pump stations which are reaching the end of their expected useful lives and are in need of reconditioning. These two booster pump stations make it possible to move water throughout the distribution system from one pressure zone to another.

The Utah Division of Drinking Water requires a culinary water supplier to have, at minimum, a water source and a redundant water source which are each independently capable of providing the estimated peak demand. The applicant currently does not have a working water source.

## **Proposed Project**

The applicant has worked with their design engineer to develop a system plan which includes redevelopment of Pizzle Spring, construction of a booster pump station at Pizzle Spring, reconditioning and updating two booster pump stations, construction of a new 250,000-gallon water tank, and installing an 8-inch feed line connecting the tank to the booster pumps. Construction on these improvements is expected to begin Fall 2020. Construction will halt during the winter and resume when conditions are favorable in Spring 2021.

## **Benefits**

The proposed project will provide the applicant with a working water source which it currently





does not have. Additional water will continue to be provided by Hidden Lake Well which is owned by a private developer. The booster pump stations will make it possible for the applicant to move water to different pressure zones within its distribution system. During periods of peak demand, the new tank will make it possible for the adequate provision of water.

### 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	Spring Box	1	EA	\$250,000	\$250,000
2	Booster Pump Construction & Rehab.	1	EA	\$750,000	\$750,000
3	8" Feedline	1	EA	\$120,000	\$120,000
4	250,000 Gallon Water Tank	1	EA	\$350,000	\$350,000
<b>Construction Cost</b>					<b>\$1,470,000</b>
Contingency					\$147,000
Design & Construction Engineering					\$221,000
Legal & Administrative					\$30,000
<b>TOTAL</b>					<b>\$1,868,000</b>

### Cost Sharing & Repayment

The recommended cost sharing and repayment are:

Agency	Cost Sharing	% of Total
Board of Water Resources	\$1,588,000	85%
Applicant	280,000	15
<b>TOTAL</b>	<b>\$1,868,000</b>	<b>100%</b>

Staff recommends the board reauthorize and commit 85% of the project cost, up to \$1,588,000, and that the bonded indebtedness be returned at 1% interest over 30 years with annual payments of approximately \$64,000 (including reserves).

### Economic Feasibility

Because this project is necessary for the applicant to procure a primary water source, and because the project is necessary for the applicant to have a fully functioning water system which will provide no direct economic benefit to the applicant, the benefit-to-cost ratio of the project is assumed to be 1.0.

### Financial Feasibility

The board's affordability guidelines indicate that the community can afford to pay \$88.51 per month for water. The current base rate for water is \$85.42 per month for a residential connection. A progressive water rate structure is in place leaving the possibility of a monthly bill exceeding the base rate.



The applicant and the Weber Basin Water Conservancy District assess an annual property tax totaling approximately \$6.14 per connection per month. An annual bond payment of \$64,000 for the proposed project represents an increase of \$14.49 per account per month based on 213 equivalent residential connections (ERC's) and 344 water reservation accounts. Pumping costs associated with the two proposed booster pump stations will result in a monthly increase of approximately \$4.00 per connection. These expenses add up to approximately \$110.05 per month per connection for all water.

An analysis of the applicant's current revenues and expenditures forecasts an increasing availability of funds for debt servicing due to annual increases in the water base rate and other factors. Projected funds available for debt servicing is approximately \$130,000 in 2020. The Powder Mountain WSID board of directors has already approved a table of annual rate hikes extending through 2029 with a base rate of \$138.09 in that year.

### Water Rights & Supply

Water rights related to this project are as follows:

Water Right Number	Flow / Volume (cfs / ac-ft)
35-6124	4 ac-ft
35-6712	30 ac-ft
35-4514	13.55 ac-ft
35-4515	13.55 ac-ft
35-4516	13.55 ac-ft
35-12848	400 ac-ft

### Easements

The applicant holds all easements required for the project.

### Environmental

The proposed project is not expected to have any significant, long-term impacts on the environment.

### Water Conservation

The proposed project is not expected to conserve water.

### Applicant's Responsibilities

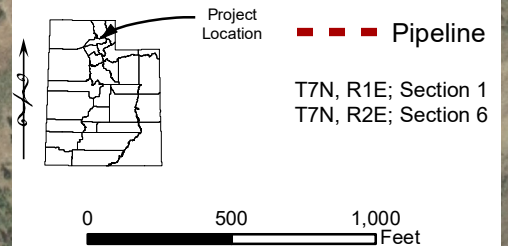
The applicant will be required to make all arrangements to sell the board a non-voted revenue bond, as well as verify it has adequate water rights and rights-of-way to construct the project. The applicant received a full list of requirements and procedures necessary to close the bond after the original authorization and has been working on meeting those requirements to be ready for committal of funds.



# Powder Mountain WSID

## Proposed Pipeline Project

### Weber County



Powder Mountain Ski Resort



**BOARD OF WATER RESOURCES**  
**Special Item - Additional Funds**



**Applicant:** **Burns Bench Irrigation Company**

**Project Number:** RE395  
**Fund:** Revolving Construction Fund  
**Total Cost:** \$707,000

**Application Received:** 3/23/2017  
**Authorized:** 6/22/2017  
**Committed:** 10/10/2019  
**Board Meeting Date:** 8/6/2020

**Board Member:** Randy Crozier  
**Project Manager:** Jaqueline Pacheco

**Project Summary:** The purpose of the project is to install a radial gate at the diversion structure. Additionally, 1,300 feet of 42-inch HDPE pipe and 1,700 feet of 24-inch HPDE pipe will be installed to enclose the existing canal and eliminate the earthen pond.

**Recommendation:** Staff recommends the board commit an additional \$23,000, and amend the purchase agreement to state the board will provide 30% of the project cost, up to \$212,000, and that the project be purchased at 0% interest over 20 years with annual payments of approximately \$10,600.

**Project Contacts:**

**President:**  
Monty Pratt  
P.O. Box 392  
Jensen, UT 84035  
435-790-2708

**Secretary:**  
Ilene Fedelleck  
P.O. Box 6  
Jensen, UT 84035  
435-789-3714

**Engineer:**  
Chris Thomsen, P.E.  
CIVCO Engineering  
P.O. Box 1758  
Vernal, UT 84078  
435-823-8022



## Location

The proposed project is located five miles northwest of Jensen in Uintah County.

## Project Summary

The purpose of the project is to install a radial gate at the diversion structure. Additionally, 1,300 feet of 42-inch HDPE pipe and 1,700 feet of 24-inch HPDE pipe will be installed to enclose the existing canal and eliminate the earthen pond. The project is under construction and there has been an increase in the project cost. Since construction began, the project cost has increased due to delays and an increase in material costs.

The applicant is requesting additional funding to complete the project.

## Cost Estimate & Sharing

The project cost estimate has increased by \$40,000, from \$667,000 to \$707,000. The committed and proposed cost sharing are:

Agency	Committed Cost Sharing	% of Total	Proposed Cost Sharing	% of Total
Board of Water Resources	\$189,000	28.3%	\$212,000	30.0%
WaterSMART Grant	300,000	45.0	300,000	42.4
UDAF Conservation Grant	80,000	12.0	80,000	11.3
Uintah Water Conservancy District Grant	65,000	9.7	78,000	11.0
Applicant	33,000	5.0	37,000	5.3
<b>TOTAL</b>	<b>\$667,000</b>	<b>100%</b>	<b>\$707,000</b>	<b>100%</b>

## Purchase Agreement

The Board originally committed 28.3% of the project cost, up to \$189,000, at 0% interest with a repayment term of 20 years. Annual payments were set at approximately \$9,450. The applicant is requesting an additional \$23,000 from the Board of Water Resources.

Staff recommends the board commit an additional \$23,000, and amend the purchase agreement to state the board will provide 30% of the project cost, up to \$212,000, and that the project be purchased at 0% interest over 20 years with annual payments of approximately \$10,600.

**BOARD OF WATER RESOURCES**  
**Special Item - Additional Funds**



**Applicant:** **West Cache Irrigation Company**

**Project Number:** RE421  
**Fund:** Conservation and Development Fund  
**Total Cost:** \$4,259,000

**Application Received:** 12/17/2018  
**Authorized:** 1/31/2019  
**Committed:** 10/10/2019  
**Board Meeting Date:** 8/6/2020

**Board Member:** Charles Holmgren  
**Project Manager:** Russell Hadley

**Project Summary:** The purpose of the project is to replace 5.3 miles of the West Cache Irrigation Ditch with pressurized pipe, construct two pump stations, and install four flow meters and other appurtenances.

**Recommendation:** Staff recommends the board commit an additional \$475,000, and amend the purchase agreement to state the board will provide 53.1% of the project cost, up to \$2,260,000, and that the project be purchased at 1% interest over approximately 30 years with annual payments of \$87,600.

**Project Contacts:**

**President:**  
Sid Munk  
2598 W. 5800 N.  
Amalga, UT 84335  
435-881-1348

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

**Engineer:**  
Scott Archibald  
Sunrise Engineering  
26 South Main Street  
Smithfield, UT 84335  
435-563-3734





## Location

The proposed project is located in between the towns of Trenton and Newton in Cache County.

## Project Summary

The purpose of the project is to replace 5.3 miles of the West Cache Irrigation Ditch with pressurized pipe, construct two pump stations, and install four new flow meters and other appurtenances.

The project was recently bid and bids came in significantly higher than expected. Since funds were committed, a \$200,000 grant from the Utah Department of Agriculture has been awarded to the project.

## Cost Estimate & Sharing

The project cost estimate has increased by \$759,000, from \$3,500,000 to \$4,259,000. The committed and proposed cost sharing are:

Agency	Committed Cost Sharing	% of Total	Proposed Cost Sharing	% of Total
Board of Water Resources	\$1,785,000	51%	\$2,260,000	53.1%
WaterSMART Grant	1,400,000	40	1,400,000	32.8
Utah Dept. of Ag. Grant	0	0	200,000	4.7
Applicant	315,000	9	399,000	9.4
<b>TOTAL</b>	<b>\$3,500,000</b>	<b>100%</b>	<b>\$4,259,000</b>	<b>100%</b>

## Purchase Agreement

The Board originally committed 51% of the project cost, up to \$1,785,000, at 1% interest with a repayment term of approximately 25 years. Annual payments were set at \$81,100. The applicant is requesting an additional \$475,000.

Staff recommends the board commit an additional \$475,000, and amend the purchase agreement to state the board will provide 53.1% of the project cost, up to \$2,260,000, and that the project be purchased at 1% interest over approximately 30 years with annual payments of \$87,600.

**BOARD OF WATER RESOURCES**  
**Special Item – Modify Terms**



**Applicant:** **West Porterville Irrigation Company**

**Project Number:** RE401  
**Fund:** Revolving Construction Fund  
**Total Cost:** \$ 2,050,000

**Application Received:** 9/6/2017  
**Authorized:** 3/21/2018  
**Committed:** 10/11/2018  
**Board Meeting Date:** 8/6/2020

**Board Member:** Kyle Stephens  
**Project Manager:** Ben Marett

**Summary:** The applicant is requesting a modification of terms, due to a change in project scope which removes the reservoir enlargement from the project.

**Recommendation:** Staff recommends the board reduce committed funds by \$103,000, and amend the purchase agreement to provide 43.6% of the project cost, up to \$893,000, and that the project be purchased at 0% interest over 30 years with annual payments of approximately \$29,800.

**Project Contacts:**

President:  
Kipp Adams  
2970 S Morgan Valley Dr.  
Morgan, UT 84050  
801-791-7945

Secretary:  
Dana Watt  
349 S. Hound St.  
Morgan, UT 84050  
801-821-6309

Engineer:  
Brian Deeter  
J-U-B  
465 N Kays Dr.  
Kaysville, UT 84037  
801-547-0393



## Location

The proposed project is located three miles southwest of Porterville in Morgan County.

## Project Summary

In October 2018, the Board of Water Resources committed funds to the applicant's proposed project which included installing approximately 25,000 feet of pipe, enlarging a reservoir, and installing a micro-hydro pressure reducing valve (PRV).

The pipeline and micro-hydro PRV have been successfully installed. The reservoir enlargement has been delayed by a legal dispute which arose between two adjacent landowners. The original project plan included major in-kind contributions on the enlargement which was intended to make up a significant portion of the applicant's overall project cost share. Because the applicant is unable to bill for these in-kind services, they are experiencing difficulty meeting their committed cost share of the project.

The applicant is requesting that the reservoir enlargement be removed from the project, that the project cost estimate be reduced to more closely match actual project expenditures, and that the project cost shares be adjusted to reflect these changes.

Agency	Committed Cost Sharing	% of Total	Proposed Cost Sharing	% of Total
Board of Water Resources	\$ 996,000	42%	\$ 893,000	43.6%
WaterSMART	1,000,000	42	1,000,000	48.8
Applicant	368,000	16	157,000	7.6
<b>TOTAL</b>	<b>\$2,364,000</b>	<b>100%</b>	<b>\$2,050,000</b>	<b>100%</b>

## Modification of Terms

Staff recommends the board reduce committed funds by \$103,000, and amend the purchase agreement to provide 43.6% of the project cost, up to \$893,000, and that the project be purchased at 0% interest over 30 years with annual payments of approximately \$29,800.



*Unapproved*

BOARD OF WATER RESOURCES

BRIEFING MEETING

MINUTES

June 18, 2020

Virtual Meeting

Utah Department of Natural Resources

BOARD OF WATER RESOURCES VIRTUAL  
BRIEFING MEETING  
Department of Natural Resources  
Salt Lake City, UT  
June 18, 2020  
10:00 a.m.

THOSE PRESENT: Blaine Ipson  
Kyle Stephens  
Juliette Tennert  
Wayne Andersen  
Randy Crozier  
Norman Johnson  
James Lemmon  
Charles Holmgren  
Todd Adams  
Candice Hasenyager  
Joel Williams  
Todd Stonely  
Scott McGettigan  
Shalaine DeBernardi  
Marcie Larson  
Randy Staker  
Kim Wells  
Lindsay Russell  
Tom Cox  
Marisa Egbert  
Russell Hadley  
Jaqueline Pacheco  
Carmen McDonald  
Michael Christensen  
Kim Wells

Called to order by CHAIR BLAINE IPSON at 10:05. A roll call vote was taken of Board Members and all were present. The meeting is in accordance with the Governor's Covid-19 Pandemic Guidelines and is being virtually held.

DIRECTOR TODD ADAMS announced all staff.

CHAIR IPSON asked for any changes to the minutes. CHAIR IPSON noticed that the Board Members were not listed as present in the Board Meeting from May. NORMAN JOHNSON felt the need to add "flood irrigation" to page 2 in the Briefing Meeting under Muddy Creek.

**SPECIAL ITEMS:**

**RE439 Porcupine Highline Canal Company**

MARISA EGBERT this will not be presented today. Because of the emergency slope failure adjacent to their canal, the company wants to hold off because of the potential cost estimate to fix the slope. They may not need to fix it. They also want to get some additional information from the NRCS and the Division of Wildlife about additional potential funding. They have been able to pipe the canal next to the failure and are able to deliver water. But there continues to be a concern about the slope stability. They may come back in August if they cannot cover the costs.

**RE060, Hooper Irrigation Company**

KYLE STEPHENS there are certainly a lot of concerns and Russell will go over these  
RUSSELL HADLEY this is addressing 3 different projects that the Board committed funds to in 2003, 2008, and 2012 and construction started shortly after each committal. The purpose of the project was to install a lawn and garden system in the area (installation of 14 miles of pipe to replace existing earth and ditches as well as regulating reservoirs and pump stations) that services 1586 homes. The total cost of the combined projects is about \$13,275,000 and the Board's share was 85% or about \$11,284,000. The first project, RE060 was for the Hooper Reservoir Pump Station and required approximately \$5,541,000 to be returned at 3% interest with payments for 25 years increasing 2.86% each year until 2032. The 3% was because they were below the affordability guideline. The 2.86% increase was how things were done at the time and was based on expected growth in the area. The second project, RE238 was for the Taylor Reservoir Pumping Station and 10 miles of pipe and hook ups. The cost for the Board on this project was about \$5,475,000 to be returned at 1% interest over 30 years and to increase 3.37% each year until 2039. The growth rates come from the Governor's Office of Planning and Budget. The final project, RE311 was to provide 4600 feet of pipe to the Hooper Haven subdivision which was about \$267,000 from the Board and returned at 4% interest with level payments for 20 years until 2030. Previous director Dennis Strong had requested that interest rate because it was benefitting developers who had previously made an agreement with the sponsors. On page 3, you can see that the payments for 2020 will be \$533,000 and by 2031, they will be \$717,500 after which they will begin decreasing. The total principal balance for all 3 projects is about \$8,656,000. According to the Board Guidelines, residents can afford to pay up to \$82.76 per month for all water service. The average culinary water between Hooper and Taylor is \$33.18 a month and the applicant currently charges \$34 per month for secondary lawn and garden water. Therefore, for all domestic water, the applicant is averaging \$68.81 per connection (which puts them \$13.95 a month below the Board's affordability guideline).



Currently, the interest rate on municipal projects with the board is 2.08%. If the Board agreed to put all 3 projects at that interest rate over 20 years, the repayments would be a total of \$533,600 and that is staff's recommendation.

The applicant states the 2009 payment of \$589,000 was nearly unaffordable. Staff looked at the company financial statements, which it showed that there was profit of about \$403,000 excluding depreciation. Staff discovered that the company is split into two separate companies, one covering agricultural water (A shares) and one covering lawn and garden water (B shares) each with separate bookkeeping and bank accounts. The only time they are combined into one spreadsheet is for taxing. This made them look more profitable than they were and they have had some accounting issues. We do not know right now exactly how profitable they were in 2019.

SHALAINE DEBERNARDI just to clarify, the Board's affordability is not based on the profit they say they have or that we see on their books. It is based on the guideline of what they can pay for water and what their median adjusted gross income was. The profit may be inaccurate but the calculations are not.

RUSSELL HADLEY they also have about 200 more connections lined up that are going to be in subdivisions. They recently did have a subdivision of 30 planned homes drop out so the number in the report is slightly less now. This number may continue to decrease as the economy has changed as some of those connections have been on their list for a long time. The only reason I wanted to share their profit and additional connections was to show that they are profitable and growing.

Staff recommends if the Board decides to amend each repayment term to state the balance owed will be purchased at 2.08% over 20 years.

Another issue is regarding some late fees they have accrued. This was not included in the motion. They have accrued late fees last year for bouncing their payment check months late and the late fee amount owed is \$68,152.78. They would like to have the Board waive those fees.

SHALAINE DEBERNARDI this is "if the Board chooses" and it would be best to talk about the other items they are actually going to request because they will be at the Board Meeting and they will be asking for different terms. Please talk about that first.

RUSSELL HADLEY the applicant has requested these repayments be adjusted because the large increasing payments are becoming difficult to make and the calculated growth rates have not occurred. The applicant is requesting that the combined balance be returned over 25 years at 1% interest with level payments that total approximately \$393,000. We did inform them that they do not qualify for the 1% interest rate but the Board can do what it wants but we do not see a reason for the Board to do so because the current standard for municipal projects is 2.08%. They were hoping to get a 25 year repayment plan if they had to pay 2.08% interest, with annual payments of \$447,700.

VICE-CHAIR STEPHENS initially I wondered if the growth projections had been realized (they had not). Are they current with the payment status now except for the late fees right now?

SHALAINE yes

VICE-CHAIR STEPHENS when was the last time they raised their water rates? We need to ask them because the amount they can afford versus what they are currently paying shows some flexibility. If they have not asked for an increase in awhile, they perhaps should be willing to consider that to make up that difference.

RUSSELL I do not know the answer to that. It looks like the population growth has been 2.9% in Hooper but Taylor is unincorporated so we are not sure of the growth there.

JULIETTE I am somewhat uncomfortable with this situation. I want to be reasonable given the current economic conditions so I am wondering if they would be eligible for the COVID-19 hardship policy.

SHALAINE we discussed this with them yesterday. They are not sure how much of the COVID-19 Policy we are looking at today is the issue for them. Yes, developers are not moving as quickly because of COVID but the biggest concern is the growing payments and while they are able to make them now, they are looking at the schedule and the amounts in the future and the payments are quite large. They just want to level it out and plan for it with some additional time and cushion to perhaps plan some other projects and possibly start installing secondary meters. They will lay out the reasons for you during the Board Meeting.

This is an odd situation because we are not a bank and we do not use growth rates anymore, as Russell said. It is just not reasonable to do that.

JULIETTE how many other projects are out there with these escalating payments?

SHALAINE there are a few but there are not too many out there. The ones that are out there have not complained. Some have additional projects with the Board but we have structured the repayments of those to accommodate the existing growing payments.

JULIETTE we are not talking about huge numbers per se but we are going to have this tax earmark and we will have this hardship program available... are we concerned about the balance sheet?

SHALAINE at this point, we are not concerned.

TOM COX Davis Weber has a number of projects with us that do have increasing payments and if we were to change the interest rate on previous projects based on today's interest rate, Davis Weber will be on the agenda in August asking for a change in their repayment plans. I am not sure if we should be concerned about that or not.

SHALAINE that is a valid point.

RUSSELL the biggest concern to me was to get rid of that growth rate and when they approached me about this, I told them that we had done that before and could do it again. We were not initially sure of how to handle the interest rates.

SHALAINE Tom, I did want to point out that on one of these projects, the existing rate is 1% and if they ask for consistent terms, the 1% will go up. The 4% project is a small project and the biggest project is currently at 1%.

VICE-CHAIR STEPHENS what are staff's feelings regarding the request to the payments going from 20 to 25 years?

RUSSELL they want to install meters on the whole system, run pipelines on their own without having to come to the Board so they can grow, and a few other reasons they will entail during the meeting.

SHALAINE after running the numbers yesterday, the combined repayment at 2.08% for 20 years is \$533,600 and the repayment at 2.08% for 25 years is \$447,700 which would give them \$89,900 a year that they would have to work on their own system without having to come back to the Board. We are not against the 25 years, we just went with the guidelines which say that 20 is plenty of time.

DIRECTOR ADAMS the 2.08% and the \$533,600 is based on your Board guidelines so that is what we followed.

RANDY CROZIER as I looked at this, I noticed that if we go to the 20 year repayment, the highest repayment amount of \$717,700 will go down to \$533,600 for every payment and that is almost \$190,000 difference in the repayment amount from those two scenarios. I know they are saying that they can use that extra amount to do projects on their own but if they can get the 1% interest rate, they will be back looking for help with these future projects as well. I hate to set the precedent to drop to 25 years because I think we would be kind going to 20 years. I would prefer to go with our own guidelines.

SHALAINE you are absolutely right and this is why we tell people that the Board can make the decision for themselves. I did want to clarify that this has happened a fair amount so this is not setting precedence but the Board can do what it would like in approving these types of changes.

RANDY I recognize that but there are plenty of entities that come to us for funding and they pay according to what they agreed to. It just does not seem to be consistent or fair to those who stick to their agreed upon amount.

WAYNE ANDERSEN I will piggyback a bit off of Randy's comment but coming to us to forgive their late fees. They get themselves in trouble and they want to be bailed out. I would feel better about going to 25 years and adding the late fees to the balance just so they have to pay them over time with their current balance.



RUSSELL we did have a discussion about the meter program and the 1% loan and 85% cost sharing on meters and that is a long-term goal of theirs. They likely would come back in the future to get some meter money from us and that is why it is there for, but they are very thankful for that offer of the 20 years repayment plan. They are asking for something a little better than that, but if the Board decides to agree to the 20 years, they will be happy.

RANDY I would also be thrilled with the 20 year offer if I was them.

CHAIR IPSON I have the same question that Kyle has which is when was the last time they raised prices and if it has been awhile, why have they not asked for a rate increase?

RUSSELL I will call the secretary now to find out when the last time they raised their rates was.

VICE-CHAIR STEPHENS I think that would be great to know going into the meeting later this afternoon.

RANDY if they could raise their rate by \$5, it would give them some flexibility to make payments and be able to do projects on their own.

CHAIR IPSON for the amount they are saving between the 20 and 25 years will not give them much to work with in terms of secondary meters and other such projects.

RANDY if they want to be able to do projects on their own, they will need to raise the rates and the affordability index shows that they can do that. If we went with the 20 years repayment plan and forgave the \$68,000 I could be okay with that.

CHARLES HOLMGREN I agree with Wayne's assessment on this with adding the late fee to their payments over 25 years. I have an applicant that is going to come forward to ask for an additional 10 years but they are completely agricultural and they really will have a tough time making those payments. Residential areas don't typically have quite the same problems as dairy farmers in Cache Valley. This will be in a future meeting.

NORMAN JOHNSON I am of the opinion that they agreed to take the loans the way they were and they should stick to those terms.

RUSSELL they raised their rates 6 years ago by \$4 a month.

SHALAINE this company's payments are due September 1 each year so if you want to table this for today and explore other options, that is fine. No one seems super happy with the proposals and there are different opinions on each of the ideas. This is completely up to you and we are happy to help with that. And yes, they did agree to the terms when the paperwork was signed but things are different than they were then and we are not a bank and we do not necessarily refinance but we can do what you, the Board, would like to do.

JAMES LEMMON I agree with many points made but I think it would be good to table it and get more information. Regarding the late fees, is that just one year that they owe? And have they been on time with the rest of the payments?

RUSSELL yes, one year of late fees owed now.

SHALAINE they have been late previously to this year. As Russell mentioned, they treat themselves as 2 separate companies. But because of that, they have borrowed from the agricultural side to make the payments. They did that last year and the check for \$518,000 bounced. We have waived late fees before and they have been late other times but its not always been their fault as there were some issues with the State Division of Finance (the company was not getting statements sent).

JULIETTE there was mention before of issues with their accountants not being able to work out some of the data points from finances so that might be a reason to table this until the next meeting as well.

CHAIR IPSON \$68,000 seems high for a late fee and how does that stack up to normal late fees?

SHALAINE it is high and the reason for that amount is the size of the payment and how late they were this year. They thought that the payment was made November 12, so they were already late, but they did not actually reconcile and make their full payment until April 15 because that check bounced. The late charges were approximately \$36,000 on RE060, \$28,500 on RE238, and \$3,500 on RE111. They did not have their money in the right account when they tried to make their payment in November. Their secretary does not know all the accounting and the accountant does not really differentiate between the Ag and Irrigation accounts. She knows they have separate accounts but does not keep track of them as 2 separate entities. Its too many people and not one who seems to know all the aspects.

WAYNE I do not understand how someone could not know that a check for that amount bounced.

SHALAINE I am not sure how that happened either.

RANDY I would think that tabling this and letting staff work with them and figure all of this out would be best at this point. Then we are all on the same page.

VICE-CHAIR STEPHENS there are a lot more questions than answers at this point so I would not feel comfortable making a motion. Do we let them make their presentation and then table the discussion after that?

SHALAINE I would suggest tabling it before the presentation because the information that is going to be gathered is going to result in no decision anyways. It should be tabled as it comes up on the agenda with direction to staff of what should be looking for before it is brought back in August.

DIRECTOR ADAMS that is a fine suggestion but the Board can decide what they would like to do. It seems to make more sense to not listen to the full presentation until we have more information and clarification

WAYNE can we contact them beforehand and let them know we would like to hold off until August?

CHAIR IPSON because it is on the agenda and the agenda is a public notice, they have the right to have the floor if they want it. We can reach out to them and see if they voluntarily want to hold off but if they want to be heard, we are obligated to hear their proposal/request.

VICE-CHAIR STEPHENS Russell mentioned that they wanted to be able to make their case. I am confused as which direction we should take and what their reaction will be to us if we table it up front and do not give them the opportunity to discuss it.

CHAIR IPSON I don't believe we can just tell them we will not listen today because it's been published. We can reach out and let them know where we stand and let them make their decision.

SHALAINE I believe that sounds reasonable and I will send them all an email when we are finished in this meeting and let them know what we have discussed.

DIRECTOR ADAMS I would suggest making a phone call instead.

SHALAINE I was going to send the email so I could reach the president, secretary, and engineer all at the same time but Russell can call the company president directly on top of that.

JAMES I am wondering if changing the date of payment to possibly November 1 would give them time to raise money?

SHALAINE I am not sure the date really affects it and the September 1 date is what they requested previously.

RUSSELL going back to their financial statements, it's really not important to bring up the Ag side, it was just to show that they are profitable. The accountant can figure that out, just not today. The number of connections that are up and coming will change because of the economy but they are still growing. They really would be happy with the 20 year repayment plan, as suggested by staff. In regards to the late fees, that is the Boards call and the secretary will be apologizing for those late fees.

CHAIR IPSON make the phone call and let them know of the concerns we discussed and if a motion is made, I would feel comfortable doing what the staff has recommended and adding the late fees into that.



VICE-CHAIR STEPHENS I concur with that thought process. I could make that motion. The staff has worked hard with them and if they are amenable to staff's recommendations, including the late fees, I am inclined to lean in that direction.

CHAIR IPSON there were 2 new applications RE440 Nibley Blacksmith Irrigation Company and RE441 Provo City. We have received those applications and we will be looking at both in the future.

### **New Policies**

- COVID-19 Payment Deferral Policy

VICE-CHAIR STEPHENS my only comment was to include an "approve by date" and that has been added so I am comfortable with that information.

CHAIR IPSON who would be willing to make a motion on that policy?

VICE-CHAIR STEPHENS I would be happy to do so.

- Policy Reducing Funds Committed

CHAIR IPSON who would be willing to make a motion on that policy?

JULIETTE TENNERT I would be happy to make that motion.

SHALAINÉ just a clarification, this is not if they don't use all the money, it is like Blanding City, where they bid came in lower and they did not want to be obligated to the higher payment. With a bond, if they don't take it all the amount not used comes back to the Board and pays off the end of the loan. It does not reduce their annual payments. This policy is for staff to be able to make those changes before we go to a bond closing.

CHAIR IPSON if you would give a brief introduction on both of those during the meeting that would be helpful.

- Second Memorandum of Agreement Concerning the Upper Colorado River Basin Fund

SCOTT MCGETTIGAN the Colorado River Storage Act had some requirements regarding power revenues collected which has led to some complications. There are more revenues collected than are necessary to repay the participating projects from CRISPA. This money is not perceived as being very accessible because it would only be meant for a new project that is authorized by Congress.

There was a situation where the money being collected would not have likely been able to be used for anything because it would not have been able to be approved through Congress so this collection of money had an effect on the power firm rate that is charged to those customers. The customers

organized with CREDA (Colorado River Energy Distributors Association) and they proposed an option for how to best address this and have money that could be usable. This would be done through sharing a collection of revenues between the states. The act states that revenues cannot be shared between states. This would state that if there is consent between the states, they can share those power revenues to pay off projects with a new memorandum of agreement. They could collect only what is necessary to repay the projects and that reduces the amount of money that is collected through these power revenues and reduces the effect on the firm power rate charged to WAPAs customers. This was proposed back in 2010 and it is called MOA 1 or the original MOA.

This was set to expire in 2025 but we were approached by CREDA and WAPA to redo the agreement before the expiration. They are hoping to incorporate this into WAPA's power rate study and they wanted to make sure the MOA did not lapse so there is not an overcollection of power revenues. This new MOA will also address some issues that have developed over the years with the first agreement. This money can only be used for Reclamation facilities on elective O&M and that can be difficult to figure out what qualifies. This money has been used for several projects in the state; the Olmstead power plant was partially funded, Blue Cut Canal water right transfer, Steinecker Canal, and Red Fleet Reservoir as well. The Upper Basin Consumptive Use study was also funded through this money. The money collected will be \$245 million from the Upper Basin States for the next 17 years and Utah's allocation of that is \$3.1 million per year. The total avoided over collection amount will be \$323 million.

CHAIR IPSON thank you Scott, it looks like it is in Utah's best interest to formally extend this agreement. The resolution would authorize the Director through the Utah Board of Water Resources to sign this agreement concerning the Upper Colorado River Basin fund. We would approve the MOA and have Director Adams sign this.

NORMAN I would be glad to make that motion.

SHALAINE Scott will have a slide with the recommended motion that will be up for all to see.

RANDY how does this affect the funds on the salinity control program?

SCOTT this money is separate from the salinity portion.

CHAIR IPSON there will be a Planning Report about climate change water resource potential adaptation strategy in Utah from Krishna Khatri.

There will also be an update given to the Board from Joel Williams on the Lake Powell Pipeline project and we will be discussing and taking action on a draft comment letter on the Environmental Impact Study (EIS). The letter will be to Rick Baxter, who is the program manager with the Bureau of Reclamation. We will have a Bear River report from Marisa Egbert on the corridor preservation and right of way acquisition.

### **Bear River Report**

MARISA EGBERT we have closed on one property for \$29,400 at this point and I can discuss that further in the Board Meeting later today. I will also be able to share a map with you of the property. We are trying to stay ahead of development. In addition to the money that was spent for the land, additional costs include the surveying, right of way agent, etc to ensure that the transaction is done correctly.

JOEL WILLIAMS the status of funds are very similar to what they were in the last meeting. The Revolving Construction fund is looking a bit tight for funding so we are trying to divert projects to the C&D fund to allow the Revolving fund to build up again. The money that goes into that fund are repayments while the C&D fund gets the sales tax revenues each year.

The C&D fund has a healthy balance although we do have some big projects coming through applications. The City Water fund could take on another project. Overall, the funds are good and the Board has the capability to fund future projects on the horizon.

NORMAN JOHNSON did we reach out to the applicants who had been on the books for awhile with no forward movement on projects?

JOEL WILLIAMS as we have been reaching out to them, many have said that they want to continue with that project but they are on a more extended timeline. If it goes beyond 6 years, they would need to do a re-authorization.

SHALAINE DEBERNARDI I will reach out to staff and have them pursue those who have not responded.

DIRECTOR ADAMS the legislature is in their 5th special session and are looking at budget cuts. There was some information from the executive appropriation and it seems like they are doing budget cuts up to 7 or 8% which is what we as a division are expecting to be hit with. We submitted some ideas of cuts at 2.5% and 10% including things like Millsite desilting, expense travel, water conservation rebates, the Logan River Monitory Observatory with USU, and most of the water education program. If there are any reimbursements for Board Members travel and meeting per diems, please send those to Randy.

VICE-CHAIR STEPHENS if we have not kept track of the hours for the virtual meetings, can staff fill that in if we sent the document in sans those hours?

DIRECTOR ADAMS yes that is fine.

CHAIR IPSON moving on to Other Items, there were 6 protests that were received by the Division of Water Rights regarding the Lake Powell Pipeline Change Application. Our legal counsel received permission to condense those into one response which was put together by legal counsel for both the Division of Water Resources and the Washington County Water Conservancy District. That was filed yesterday June 17, 2020). There will be a hearing eventually on this. There has been a lot of publicity from the Utah Rivers Council and a few others regarding this project. Would it be fitting to ask staff (on behalf of the Board) to develop a letter to the media regarding the change application?

DIRECTOR ADAMS if the Board directs us to do so, we will prepare that.

JULIETTE TENNERT I like the idea of preparing a letter of that nature and providing that clarification in the midst of misinformation that may be out there.

RANDY CROZIER is this premature to begin this or should we wait for this to go through the State Engineer. We would not want to seem like we are influencing their office.

CHAIR IPSON if we were to wait for their office to move through this process, it would be 4-6 years before we write the letter

VICE-CHAIR STEPHENS I concur with what Randy mentioned in that we would not want to put the cart before the horse or be perceived as influencing. It would be good to have the clarification but it might be premature at this point.

WAYNE ANDERSEN we need to be prudent but there is a lot of misinformation by those who are opposed to the project. I would not want to sit back and do nothing. It does not seem beneficial.

JAMES LEMMON will the letter we looked over this week be going to the State Engineer?

CHAIR IPSON that is who it was sent to in response to the protests we received.

NORMAN JOHNSON I think it would be good to let the world know where the Board stands.

DIRECTOR ADAMS we could have our communications team draft a letter that would address the support for the project and stay away from the change application and other issues like that. We will do what you ask us to do.

CHAIR IPSON if the letter were to just do as Director Adams mentioned, would that remove concern?

VICE-CHAIR STEPHENS that would be something I would support.

RANDY CROZIER I do support a letter of support that does not mention the water right.

WAYNE ANDERSEN could we have the staff draft a letter and send that to the Board to review?

CHAIR IPPSON would these need to be a formal agenda item at the next meeting?

DIRECTOR ADAMS I do not believe this needs a formal agenda item.

SHALAINÉ yes that is correct.



CHAIR IPSON I think that if we could have staff draft a letter like that which provides some explanation, it would be beneficial for us to review.

DIRECTOR ADAMS yes, we can work on that and if it is the will of the Board, I could work with the Chair to finalize and prepare that letter.

CHAIR IPSON I would like the input from the Board after that letter is drafted as well. Before we move on, have we been able to speak with Hooper on how they would like to proceed?

SHALAINE DEBERNARDI they are ready to proceed today.

CHAIR IPSON they are going to be present and are hoping for a resolution then?

SHALAINE DEBERNARDI yes that is correct

DIRECTOR ADAMS thanks to everyone that has put in service during this time. The Board Meeting will begin at 1 pm this afternoon.

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**

June 18, 2020

Virtual Meeting

Utah Department of Natural Resources

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## SUMMARY OF BOARD ACTIONS

June 18, 2020

1. PAGE 1: The minutes from the June 18, 2020 meeting were approved. VICE-CHAIR KYLE STEPHENS moved to approve, NORMAN JOHNSON seconded, and after a roll call vote, all approved.
2. PAGE 4: RE060, RE238, RE311 – Hooper Irrigation Company - the board approved each existing principal balance of all three agreements would be returned at 2.08% interest over 20 years and the resulting payments would be \$533,600. The board denied waiving the accrual of late fees. VICE-CHAIR KYLE STEPHENS moved to approve, WAYNE ANDERSEN seconded, and after a roll call vote, all approved.
3. PAGE 6: The board moved to approve the COVID-19 Payment Deferral policy which allows those with existing payments to defer for one year and the staff is not required to come to the Board to request those deferments. VICE-CHAIR KYLE STEPHENS moved to approve the policy, RANDY CROZIER seconded, and after a roll call vote, all approved.
4. PAGE 6: The board moved to approve the Policy on Reducing Committed Funds which allows the applicant to choose to reduce their obligation/annual payment if bids for the proposed project come back at lower amounts. The Board would be notified of the change but would not be required to vote on it. JULIETTE TENNERT moved to approve the policy, NORMAN JOHNSON seconded, and after a roll call vote, all approved.
5. PAGE 9: The board moved to approve the New Memorandum of Agreement (MOA) regarding Colorado River Storage Project (SRSP) Hydropower Revenues. NORMAN JOHNSON moved to approve the policy, RANDY CROZIER seconded, and after a roll call vote, all approved.



6. PAGE 13: The board moved to approve the Draft EIS comment letter for the Lake Powell Pipeline Project. JAMES LEMMON moved to approve the letter, WAYNE ANDERSEN seconded, and after a roll call vote, all approved.
7. PAGE 14: JAMES LEMMON moved to approve the closing of the June 18, 2020 Board of Water Resources Meeting, VICE-CHAIR KYLE STEPHENS seconded, and after a roll call vote, all approved.

## THOSE PRESENT

Blaine Ipson, Chair  
Kyle Stephens, Vice-Chair  
Norman Johnson, Board  
Juliette Tennert, Board  
Wayne Andersen, Board  
Charles Holmgren, Board  
James (Jim) Lemmon, Board  
Randy Crozier, Board  
Todd Adams, Director  
Candice Hasenyager, Deputy Director  
Joel Williams, Assistant Director  
Todd Stonely, Assistant Director  
Shalaine Debernardi, Section Manager  
Randy Staker, Financial Analyst  
Scott McGettigan, Section Manager  
Craig Miller, Section Manager  
Russell Hadley, Engineer  
Jaqueline Pacheco, Engineer  
Marisa Egbert, Engineer  
Krishna Khatri, Engineer  
Kim Wells, PIO  
Carmen McDonald, Engineer Technician  
Lindsay Russell, Executive Admin  
Michael Christensen, AV Specialist  
Theo Cox, President of Hooper Irrigation Company  
Greg Seegmiller, J-U-B Engineers  
Michelle Pinkston, Secretary of Hooper Irrigation Company

BOARD OF WATER RESOURCES  
Virtual Meeting Minutes  
Department of Natural Resources  
June 18, 2020  
1:00 pm

**1. WELCOME AND APPROVAL OF MINUTES:**

CHAIR BLAINE IPSON welcomes the Board, staff, and members of the public who are watching and participating in the meeting. This is a virtual meeting in accordance with the COVID-19 Executive Order 2020-5 from the Governor of the State of Utah.

CHAIR IPSON were there any comments from the board or public on the meeting minutes?

CHARLES HOLMGREN there is a correction on Sid Munk being with West Cache Irrigation and not a subcontractor to Bear River Canal. Tony Daz is a subcontractor for the Bear River Canal Company.

VICE-CHAIR KYLE STEPHENS the spelling should be "Sid Munk" not "Sid Monk".

RANDY STAKER there were no public comments.

CHAIR IPSON do we have a motion to approve the minutes from the May meeting?

VICE CHAIR STEPHENS moved to approve the minutes, NORMAN JOHNSON seconded the motion, after a roll call vote, all approved and the motion carried.

**2. SPECIAL ITEMS**

**RE439 Porcupine Highline Canal Company**

CHAIR IPSON they have asked to be removed from the agenda while they reevaluate the project.

**RE060, RE238, and RE311 Hooper Irrigation Company**

Theo Cox, Greg Seegmiller, Michelle Pinkston

RUSSELL HADLEY this is a special item request to modify repayments for three projects for this company. Funds were committed for the projects in 2003 (RE060), 2008 (RE238), and 2012 (RE311) and construction began on the projects shortly after. The purpose of the projects were to upgrade and expand existing secondary irrigation systems by installing about 14 miles of pipes to replace existing

ditches and installing two regulating reservoirs and pump stations that serve lawns and gardens in Hooper and Taylor. These facilities were to provide secondary water to existing residential homes, new development, and future growth. Currently, 1,259 connections are served in Hooper and 327 in Taylor (1,586 total). The total cost share of all three projects was approximately \$13,275,000 with the Board providing over \$11,284,000 (85% cost share).

According to the Board Affordability Guidelines, the residents can afford to pay up to \$82.67 per residence per month for the water to their homes. The applicant's customers currently pay \$68.81 per residence per month. This is below the affordability guideline by \$13.95. This extra amount, if charged, would bring in approximately \$265,000 per year.

If the Board allows, the existing principal balance of all three agreements would be returned at 2.08% interest over 20 years and the resulting repayments would be \$533,600 which is still below the Board's affordability guideline. This would be staff's recommendation if the Board agrees. The company does have a request they would like to make to the Board.

CHAIR IPSON we will now hear from the representatives of the company regarding their request.

THEO COX thank you to the Board for the opportunity to come forward today. We are also thankful to the staff for the additional help and guidance they have provided us on these projects. Greg Seegmiller is our engineer that will discuss some points we would like to bring to the Board.

GREG SEEGMILLER we do appreciate Russell and Shalaine as well as the Board. There are three requests we would like to make and I will state those and then explain why we are making them. We would like to request a 25-year payback period, we would like to request a lower interest rate, and we would like to request that the late fee of \$68,000 be waived.

We feel that the growth rate that was shown in the study has not occurred, so we are concerned that growth dropped off after 2010 as well as the effects of COVID-19. There are approximately 200 future connections but unfortunately, some of those have been on the potential list for several years with no actual building. It would take everything we have to make that payment of \$533,600 each year.

There was a discussion in the report about a \$400,000 profit and that is because we have two separate companies under the umbrella of Hooper Irrigation Company; the canal company and the pressure irrigation company. The canal side is doing well and the pressure irrigation side is not doing as well.

Thus we feel that it is not a fair representation of how well the pressure irrigation is doing financially.

We have concerns with competing water systems around us. We do have some agreements with some neighboring secondary irrigation systems. The concern is that if we are not able to extend water to these systems, they will go elsewhere. This minimizes the number of connections we have in our system. We would like to have some cushion in our finances to be able to put out some projects each year to extend our boundaries on our own. We did lose a chunk of development to a competing secondary water system recently because we could not get a 16 inch main another  $\frac{3}{4}$  a mile away.

Last of all, we would like to be able to put some meters in our system to stay in accordance with the Board resolution in 2018 that required meters on all new systems. We have around 50 meters now and although the state does have money to cover 85% of that, we are having a hard time coming up with our 15%. The late fees assessed equals approximately 13.2% of our total payment and there was a

communication error regarding the account that the payment was withdrawn from and the check bounced because the amount was not in the correct account. We did not realize this occurred until our accountant looked at the books in February and once it was discovered, the payment was made. We apologize for that and we hope you will consider our requests.

CHAIR IPSON thank you Greg; were there any questions or comments from the Board?

VICE-CHAIR STEPHENS I have a few questions; first, how old is the Hooper Irrigation Company?

THEO COX around 1923 was when we started to get water out of Echo.

MICHELLE PINKSTON the company began in 1866 and was incorporated in 1901.

VICE-CHAIR STEPHENS how much are the individual connection fees for secondary water?

MICHELLE PINKSTON the connection fees are about \$5500 and we raised that from \$3500 a year and a half ago. Any current developments before we raised the amount were honored at the rate of \$3500. Every new applicant knows that it is \$5500 per lot.

VICE-CHAIR STEPHENS when was the last time the water rates were changed and by how much were they increased?

MICHELLE PINKSTON in 2012 they were raised from \$26 to \$30 for less than ½ acre or \$360 for the season and for ½ acre to 1 acre the rate went from \$32 to \$36 or \$430 for the season.

CHAIR IPSON any other comments or questions from Board members?

VICE-CHAIR STEPHENS the request to waive the late fees was made... have there been previous late fees?

MICHELLE PINKSTON there was some confusion previously and we were not getting a bill. Shalaine had to make some adjustments but it was due to a miscommunication from the Dept. of Finance. There was communication, it was just an issue with not getting a bill.

SHALAIN DIBERNARDI there were several years that it was a finance issue. There have been some communication errors throughout.

WAYNE ANDERSEN I understand issues arising, but I don't understand that there was a \$500,000 check that bounced and no one realized. That is concerning.

MICHELLE PINKSTON I completely agree. We have an accountant that comes in and does an audit and when the check was sent, I knew she was coming in for an audit and I did not balance the books because



I knew that she would be checking on it. I feel awful that this happened and it will not happen again. This has never happened before and we have corrected the issues so they will not happen again.

NORMAN JOHNSON regarding the growth in the area, has this gone to other companies?

GREG SEEGMILLER that is correct and there was a section with several connections and the developer worked with us to try and get the waterline a mile away under a railroad track and under a highway. We did not have the money to do so and he went to another irrigation company and we could continue to lose business because of those types of issues.

VICE-CHAIR STEPHENS is this because of differences in water rates?

GREG SEEGMILLER I worked with Weber Basin to try to understand why this was happening and apparently it is water from the Weber Basin Pipeline and that is at an extremely reduced rate because the water is based on a railroad contract that is several decades old. It is significantly cheaper than our water.

CHARLES HOLMGREN I was reviewing the affordability guidelines, it looks like you could be charging more per month on these water connections. Are you pricing yourself out of business with your rates? If other water companies can provide cheaper water, maybe they should just get those developers.

GREG SEEGMILLER the amount should be more like \$10 a month rather than \$14 more. But on that particular situation, we could not compete with that irrigation company's reduced rate. It was just not feasible to push for it.

CHARLES HOLMGREN if it has been 8 years since you have had a rate increase, do you have plans to do so?

THEO COX we have not planned on raising rates in the near future. We have a situation that if we raise the secondary water, do we raise the ag users as well? We have been trying to figure out the best path to take on that.

CHARLES HOLMGREN yes, being an ag user, I am aware how much rates have gone up.

THEO COX we have talked about it but nothing has been done yet.

CHAIR IPSON are there any other questions from the Board? Randy Staker, were there any public comments.

RANDY STAKER there were no comments

VICE-CHAIR STEPHENS was there a recommendation from staff on this special item?

SHALAINE DEBERNARDI because it is three different projects, we did not want to put all the numbers in so in an effort to be clear and concise, the interest rate and payment amount was combined in the report. It can simply be stated with the interest rate and the years at which the principal balance will be returned.

CHAIR IPSON called for a motion to approve the change in interest rate and repayment period.

JULIETTE TENNERT clarification that the late fees are NOT being waived but will be wrapped up into the repayment terms, correct?

SHALAINE DEBERNARDI yes, if that is part of the motion then the late fees will become part of the balance owed.

VICE-CHAIR STEPHENS moved to approve that each project's remaining balance will be purchased at 2.08% interest over 20 years and not waive the late fees accrued. WAYNE ANDERSEN seconded the motion and after a roll call vote, all approved and the motion carried.

### **3. NEW APPLICATIONS**

RE440 Nibley Blacksmith Fork Irrigation Company in Cache County. Staff will be reviewing that application.

RE441 Provo City in Utah County.

### **4. NEW POLICY ADOPTION**

#### **COVID-19 PAYMENT DEFERRAL**

SHALAINE DEBERNARDI this is modeled after the CIB policy to go along with the State's direction of providing help to those who might experience hardship due to the COVID-19 emergency. The policy would allow those with existing payments to be deferred for a year. Staff would not be required to come to the Board to request that. They would be able to amend or complete that process on their own. In regards to bonds, we would be able to work with the State Treasurer's Office and issue a subordinate one-year payment bond that would then be paid at the end of the existing bond. Staff recommends that the Board adopt the policy as written.

CHAIR IPSON were there any comments from the Board or comments from the public to report?

RANDY STAKER there were no comments from the public

VICE-CHAIR STEPHENS I represent the Board on the Community Impact Board and a similar policy was passed several months ago regarding COVID-19 and this seems to have been patterned after that and

several other policies on repayment options. I move that the Board adopt the proposed guidelines as proposed by the staff. RANDY CROZIER seconded the motion and after a roll call vote, all approved and the motion carried.

#### **POLICY ON REDUCING COMMITTED FUNDS**

SHALAINE DEBERNARDI this policy is more of an internal one; if funds have already been committed to a project and bids come in lower, the applicant can choose to reduce their obligation and especially their annual payment by working with staff to stay within the guidelines and make those changes without requiring a Board Meeting item on the agenda for each change. The Board would be notified but the changes could be made within the Board's guidelines through staff. Staff proposes the Board approve this policy.

CHAIR IPSON were there any public comments on this policy or discussion from the Board?

RANDY STAKER there were none.

JULIETTE TENNERT moved to approve the policy reducing funds as committed as written by staff.

NORMAN JOHNSON seconded the motion and after a roll call vote, all approved. The motion carried.

#### **5. A NEW MEMORANDUM OF AGREEMENT (MOA) REGARDING COLORADO RIVER STORAGE PROJECT (CRSP) HYDROPOWER REVENUES**

SCOTT MCGETTIGAN regarding the Colorado River Storage Project Act (CRSPA), there were four initial storage units in Lake Powell, Flaming Gorge, Navajo, and Aspen. In this Act, there were several participating projects identified. The Upper Colorado River Basin Fund was also established which was a means to channel funds from the US Treasury for construction and also to collect revenues from projects. The details regarding payments from the fund are described in Section 5 of the Act which also added a peculiar restriction in Section 5E. This restriction was the main reason we established this MOA.

Apportionment is the amount of money remaining after all operation and maintenance and interest costs are covered from the power revenues. There is a part that is apportioned to each of the states in percentages (Colorado 46%, Utah 21.5%, Wyoming 15.5, and New Mexico, 17%) and these percentages are not based on the 1922 Compact, but based on the estimated contribution of the snowpack to the Colorado River.

"Revenues so apportioned to each State shall be used only for the repayment of construction costs of participation projects or parts of such projects in the State to which sure revenues are apportioned." and this was the real issue that made things difficult in the past.

The CRSP hydro-power revenues are managed by Western Area Power Administration (WAPA) and they are a federal power marketing agency and the power wholesaler for these funds. The power rate is firm and must be the same for each customer. Some of the factors that go into deciding these rates are operation and maintenance, salinity requirements, interest requirements, etc. This ties into the

provision in (Sec) 5(e) and it makes it so each state gets their apportionment but it also makes it so there is a collection and has necessitated an overcollection of funds. Essentially, there is an excess of money to ensure they have enough to pay for a project in a state, but each state is charged the same amount per the provision in the Act. This funding has not been accessible and is only meant for new projects and would require additional authorization from Congress to construct. This issue was recognized by the Colorado River Energy Distributors Association (CREDA) and they found it to be an unnecessary financial burden added to the firm power rate and they were interested in ways to reduce the impact on the power rate and at the same time allow states more access to those funds.

The MOA was proposed by CREDA and the original one was in 2010. The revenues can be used in another state with the consent of that state. If the revenues are shared, it makes it possible to not over-collect funds to pay back projects. It must be done through an agreement with the states. This would only allow WAPA to collect what it needed to in order to repay projects. It was proposed that CREDA would take certain percentages in the form of rate relief (58%) and the states would also take a certain percentage (42%). This was negotiated in 2010. We will now look at what has happened since then. These funds are still federal Reclamation dollars that are only to be spent on elective operation maintenance and replacement of Reclamation facilities for participating projects. The MOA was signed in 2010-2011 by three Upper Basin Commissioners, the Governor of Wyoming, Bureau of Reclamation leadership, and CREDA leadership and is set to expire in 2025. The over-collection was to be \$383 million which was the amount split by CREDA and the states. That would leave \$161 million for all the projects per year in the Upper Basin States. The state of Utah would be allocated \$2.47 million based on the 21.5%.

The reasons to create a new MOA when the original expires in 2025 are that WAPA and CREDA want it to be incorporated into Rate Action (adjustment of the power rates they charge), to address issues with Reclamation, and to do all of this before there are decreased revenues available by 2025.

Details of the 2nd MOA include: signatures by three Upper Basin Commissioners, Wyoming's Governor, and Reclamation, WAPA, and CREDA leadership. The term will be set to expire in 2037 (17 years) and the total additional avoided over-collection will be \$323 million with 58% to the states and blended with remaining current MOA revenues (this is because there are still five more years to the original MOA and the second agreement has been added on top of that). The total collection of revenues will be \$245 million or \$14.4 per year for all Upper Colorado River Basin States. Utah will be allocated 21.5% which is \$3.1 million per year.

The OM&R projects funded for Utah under MOA 1 were the Olmstead Power Plant, Blue Cut Canal (water right transfer), Steinaker Canal, Tyzack Pumping Plant (ongoing), Red Fleet Reservoir (ongoing), and Upper Basin Consumptive Use Study (ongoing).

CHAIR IPSON is there an anticipation of having another MOA after 2037?

SCOTT MCGETTIGAN at that time, MOA2 would end and all participating projects would be either paid off or nearly paid off. This arrangement is only regarding the remaining projects to be paid off. Once they are done, there will be no need for a MOA3. Unless there was another construction of a project that applied to CRSPA, I do not believe there will be a need to renew at a later date.

CHARLES HOLMGREN is the funding used in the Colorado River Basin or anywhere in the state?

SCOTT MCGETTIGAN the funds can be used for any participating projects so for example, the Central Utah Project (the Bonneville and the Vernal units) was a participating project along with the Emory County project as well so it would be used on Reclamation facilities within those projects.

Staff recommends that the Board adopt the resolution, as written, and authorize the Director to sign the 2nd Memorandum of Agreement concerning the Upper Colorado River Basin Fund.

RANDY CROZIER it would be good to reference the date today, June 18, 2020 so there is no confusion as to what resolution we are authorizing.

DIRECTOR ADAMS if the Board passes this, do we need to wait for the final review draft of the second MOA from the Basin states first or does this need to be done before that?

SCOTT MCGETTIGAN we would want to wait for the final review. We do not want to sign anything with the review draft written on it. The other states are approaching their Boards to get similar authorizations.

DIRECTOR ADAMS this is authorization according to the agreement as of today. As long as no major changes are made.

SHALAINE DEBERNARDI I want to add that Scott has had a lot of consultation with the Attorney General's office and working under their direction. Even though the Board may approve the signature of the Director on this MOA, it cannot be done until the AG specifies that it is okay.

CHAIR IPSON the recommendation specifies "as written" so if there is a change, our vote would not hold, is that correct?

SHALAINE DEBERNARDI the phrase "as written" is referring to the resolution, not the actual MOA. The Board is adopting the resolution only at this point and authorizing the Director to sign the MOA.

RANDY CROZIER we are just authorizing Director Adams to sign when it is authorized. I just wanted to refer to the date to avoid confusion.

CHAIR IPSON will that lock us into the MOA as it is written today?

RANDY CROZIER no, that is just referring to the Resolution.

SHALAINE DEBERNARDI yes, that is correct.

WAYNE ANDERSEN the date of this meeting is being recorded so why do we need to specify the date on the resolution itself?



CHAIR IPSON I believe that Randy just wanted to make it clear that this specific resolution was being authorized on this particular day as there may be several resolutions that occur.

RANDY CROZIER typically there is a resolution number or date that you adopt with the resolution so that was my concern.

WAYNE ANDERSEN but if there are changes, won't they have to come back to us for another vote before Todd can sign it?

RANDY CROZIER no, the resolution wording will not change because it is just giving him the authority to sign the MOA when it is completed.

SHALAINE DEBERNARDI the resolution is just the approval for Director Adams to sign the MOA and the date is at the top of the resolution as it was sent to you.

SCOTT MCGETTIGAN it is highly unlikely that there would even be any substantive changes at this point. Perhaps a change in punctuation or something to that degree, but the substance of the document is pretty set. This is just to authorize Director Adams to sign the MOA.

CHAIR IPSON were there any public comments?

RANDY STAKER there were not any public comments

NORMAN JOHNSON moved to adopt the resolution, as written, and authorize the Director to sign the Second Memorandum of Agreement Concerning the Upper Colorado River Basin Fund. RANDY CROZIER seconded the motion and after a roll call vote, all approved. The motion carried.

CHAIR IPSON we will now have the Planning Report from Krishna Khatri on the Climate Change Water Resources Potential Adaptation Strategies in Utah.

## **6. PLANNING REPORT**

KRISHNA KHATRI this report was drafted as a supplementary report to support the climate section of the Utah State Water Plan. The main objective of this report is to review the historical observations and projected trends of the major climate variables, summarize potential impacts on Utah's water resource management, and recommend adaptations strategies. This report also summarizes possible adaptation strategies to address the impacts of climate change on water resources and management in Utah. Most of the results included in this report draw on data developed by key federal agencies including U.S. Geological Survey (USGS), National Oceanic and Atmospheric Administration (NOAA), U.S. Environmental Protection Agency (USEPA), and The U.S. Bureau of Reclamation (USBR). The presentation covers only the summary and readers are suggested to read the report for the details of the analysis and resources.

This presentation was divided into three parts. The first part summarized the observed signals of change in Utah's climate, mainly temperature and precipitation in the last several decades and projected climate for the middle and end of the century. The second part highlighted how hydrological signals such as streamflow, SWE, drought, and flood changed in the last several decades. The final section summarizes the main findings of the study and main recommendations.

The first part presented major signals of Utah climate change over the last several decades. The observed data of approximately 122 years (1895 to 2017 from the NOAA source) showed a gradual increase in annual temperature in the U.S., including Utah. The results showed a faster rate of change over the last 30 years compared to the 122 years of records. The average annual temperature trend in Utah and the Western U.S. is above 2°F per decade. Historical temperature and precipitation data for Utah was also analyzed from 1950 to 2017. The dataset was divided with reference to the prior (1950 to 2000) and posterior of the year 2000 (2000 to 2017) time periods. The results showed Utah's posterior average annual temperature (2000 to 2017) increased by 1.3°F compared to 1950 to 2000. The rate of changes in winter and summer months are 1°F and 2.2°F respectively. The historical temperature trends are very clear and statistically significant (based on R2 and Man-Kendal Tau). This seasonal change would have direct implications to snow and rainfall fractions of precipitation and increased evaporative water demand during the summer season. Unlike temperature, there are no such signals of change in Utah's average annual precipitation (i.e., based on 122 years of data from NOAA as well as the data from the last 50 years). However, there are signals of seasonal changes in precipitation (winter precipitation increasing about 8% and summer decreasing by 2.50%). The climate model results (of both the Global and Regional model) project increasing trends of temperatures (about 6 to 10 °F by the end of century) but huge uncertainty exists with precipitation projects indicating no significant change or trends.

The second part of the presentation highlighted the observed signals of change in Utah's hydrology over the last several decades, including streamflow, SWE, drought and flood. April 1 SWE has a close relationship with April-July streamflow. Historical SWE observations in Utah show a decreasing trend similar to other southwestern parts of the U.S. The rate of change is different in northern and southern parts of Utah. For example, SWE records at the Tony Grove Lake SNOTEL station in Cache County (which represents the northern part of Utah) indicate decreasing trends of April 1<sup>st</sup> SWE values based on the SNOTEL records from 1979 to 2018. Historical SWE observations from 1981 to 2018 at the Castle Valley SNOTEL station in Iron County also showed decreasing trends, though higher than northern Utah. The data of the SWE records does not have very strong statistical significance.

Streamflow is the next indicator of hydrological change. The streamflow trends in Utah are uncertain, with increased or decreased streamflow based on the geographical location of the river basin from the northern part of the Wasatch range to the southern part. The monthly hydrographs of historical and future streamflow at the Provo River near Woodland and Weber River near Oakley, studied by Wood and Bardsley (2015), showed no significant change in volume; however, there were changes to the shape of the hydrograph. It is noted that the magnitude of changes and timing will vary according to basin characteristics including the size, elevations, slope, soil types, and vegetation in the basin. For example, a study of a small watershed (Big Cottonwood Canyon) in the Jordan River Basin showed the historical 50<sup>th</sup> percentile timing of streamflow is projected to be shifted earlier by three to four weeks by mid-century

and four to eight weeks by late-century. The daily hydrographs presented are based on observed daily streamflows from 1995 to 2004, and simulations of future hydrological responses for future climate change scenarios from 2035 to 2044 and 2085 to 2094

Drought events over a given region generally represent prolonged and abnormal dry periods due to moisture deficiency. The historical drought conditions in Utah based on the Palmer Modified Drought Severity Index (PMDI) records indicate frequent drought observed in the last 100 years, most severely in the 1930s, 1960s, 1970s, 1990s, and 2000s. The most significant and severe droughts in Utah result from a diminished frequency or intensity of winter storms. Most climate variability studies indicate that more intense droughts are expected in the future. The projected increase in droughts may increase the occurrence and severity of wildfires, exerting direct impacts on local hydrologic cycles, infiltration rates, runoff, sediment loads and ecological life in water bodies. Flooding events in Utah are not frequent and disastrous compared to other parts of the U.S. The primary causes of flooding observed in Utah are extended rainfall, rapid spring snowmelt, dam breaks, and flash flooding. Flash floods observed in the last two decades have increased significantly (i.e., by a factor of four) despite the decreased incidence of extreme rainfall events. This could be due to changes in the landscape, land use changes, or vegetation changes and wildfire in the river basins.

The third part of the presentation summarizes major findings and a few recommendations.

As presented, there are clear signals of changes in Utah's climate and hydrology. Temperatures (average, minimum, maximum), drought, and floods are increasing while SWE and water availability are going down, and precipitation is staying mostly the same. All the climate models are projecting faster rates of warming in Utah. Water resources and climate are multi-sectoral and dimensional issues. Therefore, we need to evaluate and monitor not only the direct impact on water resources but also indirect impacts of interdependent and interconnected infrastructure systems. There are several unknowns in climate science and uncertainty in climate projections. The cause of climate change could be global; however, impacts vary from location to location. Therefore, climate adaptation and mitigation strategies could be incorporated into water resources planning in order to cope with and respond to climate change. Readers can find more information on the presented materials and related literature in the climate report that will be linked in the Utah State Water Plan very soon.

RANDY CROZIER did you look at watershed management and how the watershed has been managed?

KRISHNA KHATRI in this case, we just looked at the overall picture of the entire state. We will be looking at the different river basins in our next study.

RANDY CROZIER when you look at floods, at least in the Uintah Basin, they seem to occur when there is overgrowth of the forest and then there is a fire but when the storms come in, there is nothing to soak up the water. The precipitation does not change but the water runoff does and it is based on watershed management.

KRISHNA KHATRI yes, that does make sense. I did not present the extreme precipitation graph but if we look at those data, we start to see that precipitation inches per hour are not changing but flash floods are changing.

VICE-CHAIR STEPHENS could we have access to the slide presentation?

DIRECTOR ADAMS there will be a PDF send out to the Board.

JULIETTE TENNERT thank you for this information and the hard work done on this. This information is important.

CHAIR IPSON were there any public comments?

RANDY STAKER there were no public comments

## **7. LAKE POWELL PIPELINE REPORT**

JOEL WILLIAMS the water rights change application was filed and the protest period closed. There were six protests filed and a response to those protests have been filed. The State Engineer will decide when the hearings will be scheduled and we will inform the Board at that time. The Draft EIS came out on June 8 and is open for a 90-day public comment period. That will end September 8. We have a comment letter that the Board planned to submit which has been sent to each of you. We will be asking for the Board's approval to submit that letter. There will be two agency and public virtual open house meetings held, one on July 8 and the second on July 9. There is a biological opinion that Fish and Wildlife have been working on and that will come out in July.

We have also been working on a programmatic agreement relating to Section 106 compliance covering cultural and historic artifacts in which we have had some conference calls with up to 80 participants involved. They have included the State Historic Preservation Office, First Nations tribes, BLM, and archeologists on how we will handle these artifacts. They will have a Historic Properties Treatment Plan (HPTP) that will come forward from that.

The Clean Water Act Section 404 permit that involves the Army Corps of Engineers will be submitted which will include the intake at Lake Powell, the terminal reservoir at Sand Hollow, and the intermittent streams and dry washes that would be crossed at the pipeline. By eliminating the forebay and afterbay, many of the impacts have been reduced. We will be coordinating with the Division of Water Quality and the Division of Water Rights in the state.

In regards to public education and outreach efforts, there have been some news articles that have come out since the EIS was released. We appreciate the Board's suggestion to put out a letter on their reasons for the project.

The BOR timeline update: the final draft of the EIS is planned to be released on November 27 with a final decision being made January 19, 2021. Our contract with Stantec goes to the end of this year and we have about \$2 million in funds remaining. We have a buffer of about \$300,000 at the end of the year. We are planning on coming to the Board to extend the contract (this would be Amendment 10) to

extend and make sure we get through the Records of Decision and potentially additional money. We are looking financially stable at this time. We are just looking for approval from the Board to submit the comment letter.

CHAIR IPSON are there any questions of comments from the Board or public comment on this report?

RANDY STAKER there were no public comments on this item

JAMES LEMMON moved to approve the comment letter for the Draft EIS, WAYNE ANDERSEN seconded the motion, and after a roll call vote, all approved. The motion carried.

## **8. BEAR RIVER DEVELOPMENT UPDATE**

MARISA EGBERT we have closed on and purchased one property. As shown on the map, the property is in South Willard. It is in a residential area and is a detention basin. We paid \$29,400 for the property (that is the appraisal amount). We did ask if they wanted to lease-back, and they do not. but there are some owners that may want to lease back. There are several properties that are at various levels of the negotiation process. All of the contact with the property owners was through the owners. Some received a letter discussing the project, others have heard from their neighbors and others through the towns of Willard or Perry. There are both undeveloped and developed properties involved.

Also, UTA requested to terminate the Memorandum of Agreement (MOA) that we had with them. Working with UTA did get us started on our right-of-way process because we just did not have the experience to do so at that time. Over time, it became cumbersome to have both agencies. They sent us a Termination Letter (per the MOA) and we replied with an Acknowledgement Letter. In that letter, we indicated that we acknowledge the termination of the MOA but that there is a surveying contract that UTA has in place with Meridian Engineering and that the Division of Water Resources is part of that Scope of Work. The surveyors will finish up the Scope of Work that includes work for the Division and UTA will then be sending invoices to the Division to reimburse that.

We do have a contract with a right-of-way agent to do that work for us where we did not have that before. We are also working on a process to maintain and manage these properties that we have bought and will be purchasing soon.

CHAIR IPSON were there any public comments?

RANDY STAKER no, there were none.

## **9. DIRECTOR'S REPORT**

TODD ADAMS we are appreciative of the hard work done by the Division Staff on the State Water Plan. We are ensuring that everything is correct so this is a tedious process that we are carefully completing. We will have a draft out soon.



The Water Banking Project Manager contract has been slowed down and we have had to get approval through the Governor's office for that.

Regarding Budget, the Division was asked to come up with a 2, 5, and 10% budget cut scenario. We had about a \$400,000 operating budget cut to our Division. That cut equals approximately 7% or 8% in cuts. We are slowly transitioning to various phases of the COVID-19 reopening. We are still in orange in Salt Lake but other counties and states are going to yellow and green.

We are proud of staff and their exceptional work in this Division. They have worked tirelessly to ensure that the Division continues to work hard and excel.

CHAIR IPSON I would like to echo those sentiments on staff's hard work and efforts. Randy, were there any public comments on the meeting.

RANDY STAKER there was one regarding Quagga Mussels and which lakes had restrictions. Kim Wells sent them some information so that has been addressed.

For the record, the comment stated "I am trying to find out what lakes have restrictions because of the Quagga Mussels and what are the regulations for putting a boat on these lakes? I am considering selling my boat because I can't use it anywhere."

CHAIR IPSON the next meeting is scheduled for August 6, we will know more about this being virtual or in person in the future.

JAMES LEMMON moved to approve the closing of the meeting and VICE-CHAIR STEPHENS seconded the motion. After a roll call vote, the motion passed.

