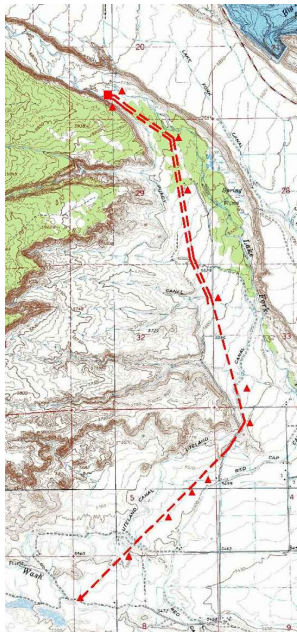


Board of Water Resources Board Meeting

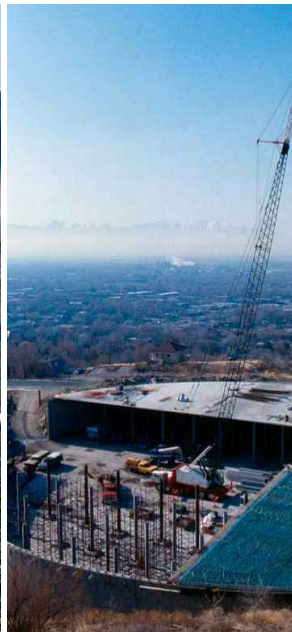
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October 8, 2020



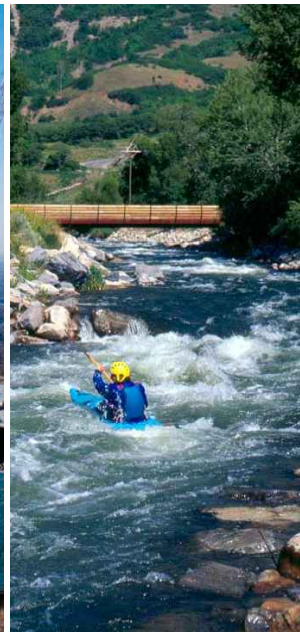
PLAN



CONSERVE



DEVELOP



PROTECT



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

UTAH BOARD OF WATER RESOURCES

October 8, 2020

MINUTES

August 6, 2020

2020 Calendar

January						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
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2020 Board Meeting Schedule

October 8 - Virtual

December 3 - TBA

Agenda
Utah Board of Water Resources
Virtual Board Briefing Meeting

October 8, 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

October 8, 2020

10:00 AM Briefing

1:00 PM Board Meeting

(Electronic Meeting)

Link to presentations and public comment form:

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

Livestream Links:

Briefing Meeting: <https://youtu.be/qZ-wd2pOcgl>

Board Meeting: <https://youtu.be/qY4P0QgXEvo>

APPROVAL OF MINUTES

<u>Proj. No.</u>	<u>Applicant</u>	<u>County</u>	<u>Proj. Manager</u>
FEASIBILITY REPORTS:			
RE441	Provo City	Utah	Tom Cox
COMMITTAL OF FUNDS:			
RE432	Davis & Weber Counties Canal Company	Davis	Tom Cox
SPECIAL ITEMS:			
RE442	West Milburn Irrigation Company (Auth/Comm)	Sanpete	Marisa Egbert
RC046	Baker Reservoir Company (Additional Funds)	Washington	Tom Cox
RC064	Sevier Valley Canal Company (Additional Funds)	Sevier	Tom Cox
RE368	Rock Point Canal & Irr. Co. (Modify Terms)	Uintah	Tom Cox
RE401	West Porterville Irrigation Co. (Modify Terms)	Morgan	Ben Maret
RE020	Center Creek Water System (Defer payments)	Wasatch	Shalaine DeBernardi
NEW APPLICATIONS:			
RE443	Bench Creek & Sunrise Irrigation Company	Wasatch	

PLANNING REPORT:

Cloud Seeding Report and Request for Funding - Jake Serago

LAKE POWELL PIPELINE REPORT:

Project Status; Additional funds for consultant contract - Joel Williams

Approval to enter into Programmatic Agreement

WATER BANKING REPORT:

Status report - Emily E. Lewis, Consultant

Public hearing and adoption of fees - Jaqueline Pacheco

BEAR RIVER DEVELOPMENT REPORT:

ROW acquisition and updates - Marisa Egbert

PROPOSED SCHEDULE FOR 2021 MEETINGS:

DIRECTOR'S REPORT:

CLOSED SESSION:

Strategy session to discuss the purchase, exchange, or lease of real property, including any form of a water right or water shares, if public discussion of the transaction would:

- (i) disclose the appraisal or estimated value of the property under consideration; or
- (ii) prevent the public body from completing the transaction on the best possible terms

In accordance with Utah Code 52-4-204 and 52-4-205

ADJOURNMENT

BOARD OF WATER RESOURCES

Feasibility Report



Applicant: **Provo City**

Project Number: RE441
Fund: Conservation and Development Fund
Cost Estimate: \$20,650,000

Application Received: 5/29/2020
Board Meeting Date: 10/8/2020

Board Member: Wayne Andersen
Project Manager: Tom Cox

Project Summary: The purpose of the project is to construct an aquifer storage and recovery (ASR) project that includes two pump stations and over 2 ½ miles of ductile iron pipe to carry Provo River water to the mouth of Rock Canyon where it will discharge and infiltrate into the aquifer from which the city wells draw.

Recommendation: Staff recommends the board authorize 48.4% of the project cost, up to \$10,000,000, and that the bonded indebtedness be returned at 1% interest over 20 years with annual payments of approximately \$585,000 (including reserves).

Project Contacts:

Mayor:
Michelle Kaufusi
351 W. Center St.
Provo, UT 84601
801-852-6105

Engineer:
Shane Jones
1377 S. 350 E.
Provo, UT 84606
801-852-6773

Engineer:
Jeff Davis
Barr Engineering
170 S. Main St, Ste. 500
Salt Lake City, UT 84101
801-333-8420

Location

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

Introduction & Background

Provo City, with a population of approximately 126,000, provides culinary water to about 17,483 residential, 1,936 commercial, 171 institutional and 17 industrial connections. Water is obtained from area springs and wells, and from Central Utah Water Conservancy District. The water system includes 17 wells (with a peak capacity of 31,700 gpm), 11 storage tanks (42 million gallons total capacity), and approximately 400 miles of transmission and distribution pipelines (48" to 6" diameter). There is no separate secondary irrigation system in the city.

The city has not received funding from the board in the past.

Existing Conditions & Problems

As with the entire Wasatch Front, Provo City's population continues to grow and is expected to do so for many years. Even though the per capita water use in the city has been decreasing, the increase in population has required the city to produce additional water. This has primarily been accomplished through increased pumping of wells. As a result, the static water level in the city's wells has seen steady decline, dropping between two and 58 feet over the lives of the respective wells.

The city owns numerous water rights to springs, creeks, wells, and the Provo River. Since it has no water treatment plant of its own, the city's river water rights are under-utilized. In looking at ways to utilize its Provo River water rights, the city is considering several options, including ASR projects, as well as water treatment facilities which may be developed concurrently or back to back.

Proposed Project

Currently the city is proposing a project to utilize part of its Provo River water rights in an ASR project. The project will include a pump station at the existing Mill Race Canal diversion on the Provo River, and one at the Timpanogos Canal, and over two and one-half miles of 24-inch diameter ductile iron pipe to carry water east to Rock Canyon. Water will be discharged into the Rock Creek streambed throughout the year, with the exception of the time of spring run-off. It is anticipated that up to 12,000 acre-feet of water will be pumped per year to help recharge the aquifer from which the city wells draw.

Construction of the project will start in Spring 2021 and is expected to take two years to complete. Technical assistance is being provided by Barr Engineering of Salt Lake.

Benefits

The proposed project will help the city secure an additional water source to supply an increasing population, stabilize and improve water levels in the aquifer its wells draw upon, and utilize its under used Provo River water rights.

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	\$600,000	\$600,000
2	Mill Race Diversion Modification	1	LS	750,000	750,000
3	Provo River Pump Station	1	LS	2,500,000	2,500,000
4	Intermediate Pump Station	1	LS	2,600,000	2,600,000
5	24-inch Ductile Iron Pipe	13,400	LF	550	7,370,000
6	University Avenue Crossing	1	LS	200,000	200,000
7	Electrical Upgrades	1	LS	800,000	800,000
8	SCADA	1	LS	125,000	125,000
Construction Cost					\$14,945,000
Contingency					2,330,000
Land Purchase					600,000
Design & Construction Engineering					2,500,000
Legal and Administrative					125,000
Environmental, Permits, Fees & Testing					150,000
TOTAL					\$20,650,000

Cost Sharing & Repayment

The recommended cost sharing and repayment are:

Agency	Cost Sharing	% of Total
Board of Water Resources	\$10,000,000	48.4%
Drinking Water Board Loan	7,388,000	35.8
WaterSMART Grant	750,000	3.6
Applicant	2,512,000	12.2
TOTAL	\$20,650,000	100%

The project will be presented to the Drinking Water Board in its November 3rd meeting. The city should get word about its WaterSMART grant application by the end of the year. It is also seeking funding from other federal sources.

Staff recommends the board authorize 48.4% of the project cost, up to \$10,000,000, and that the bonded indebtedness be returned at 1% interest over 20 years with annual payments of approximately \$585,000 (including reserves).

Economic Feasibility

For municipal projects, the benefit/cost analysis is calculated by dividing the cost of the next best alternative by the cost of the proposed project. The next best alternative which would accomplish all of the goals of the proposed project would be for the city to construct a water treatment facility of its own that would treat the same amount of water as the proposed ASR project. The estimated

cost of constructing, operating and maintaining the proposed and alternate projects were analyzed over a 50 year life. The benefit/cost of the project is calculated to be 1.87.

Financial Feasibility

The board's affordability guideline suggests Provo residents could pay up to \$36.87 per month for all water. The cost of water, based on 19,607 connections, is as follows:

Water Cost	Annual Cost	Cost/Conn/Mo
Average Residential Water Bill	\$11,168,931	\$47.47
Property Tax for Water	1,392,881	5.92
Estimated Increase in Operation & Maintenance	200,000	0.85
Estimated Division of Drinking Water Loan (1%, 20 yr.)	409,000	1.74
Proposed Board of Water Resources Loan	585,000	2.49
TOTAL	\$13,755,812	\$58.47

Water rates include a base rate based on connection size, plus a commodity charge (different winter and summer rates) based on the amount used. The city recently raised water rates. And even though the city qualifies for a longer repayment term according to the board's guidelines, they have requested that the term be limited to 20 years.

Water Rights & Supply

The city owns numerous water rights to area springs, creeks, wells, and the Provo River, and also receives water from Central Utah Water Conservancy district.

The major Provo River water rights related to this project are as follows:

Water Right Number	Flow / Volume (cfs / ac-ft)
55-11001	8,234.4 ac-ft
55-11002	10 cfs
55-11003	16.5 cfs
55-11004	65 cfs

The City will work with the Division of Water Rights to obtain the necessary recharge and recovery permits for the project.

Easements

The city either owns or is planning on obtaining property for the pumping facilities. The pipeline alignment is located primarily along existing streets. The city does not foresee a problem obtaining any needed easement.

Environmental

The proposed project will enhance the aquifer static water level. The city has worked, and continues to work, with the state Division of Water Quality and Division of Drinking Water on



permits required for a pilot project recently completed and for the proposed project. All federal environmental requirements will be completed if the city obtains federal funds.

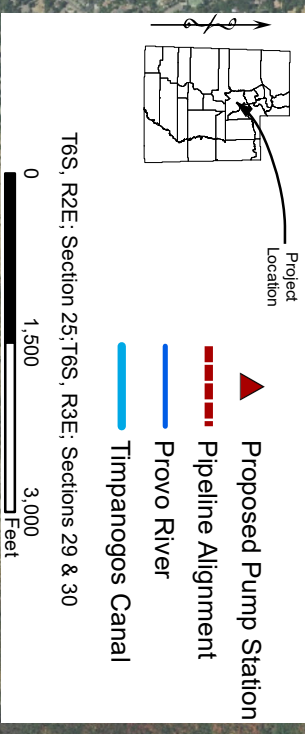
Water Conservation

Up to 12,000 acre-feet will be pumped annually with the proposed project. The city recently updated its Water Conservation Plan.

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, a full list of requirements and procedures necessary to close the bond will be furnished to the applicant.

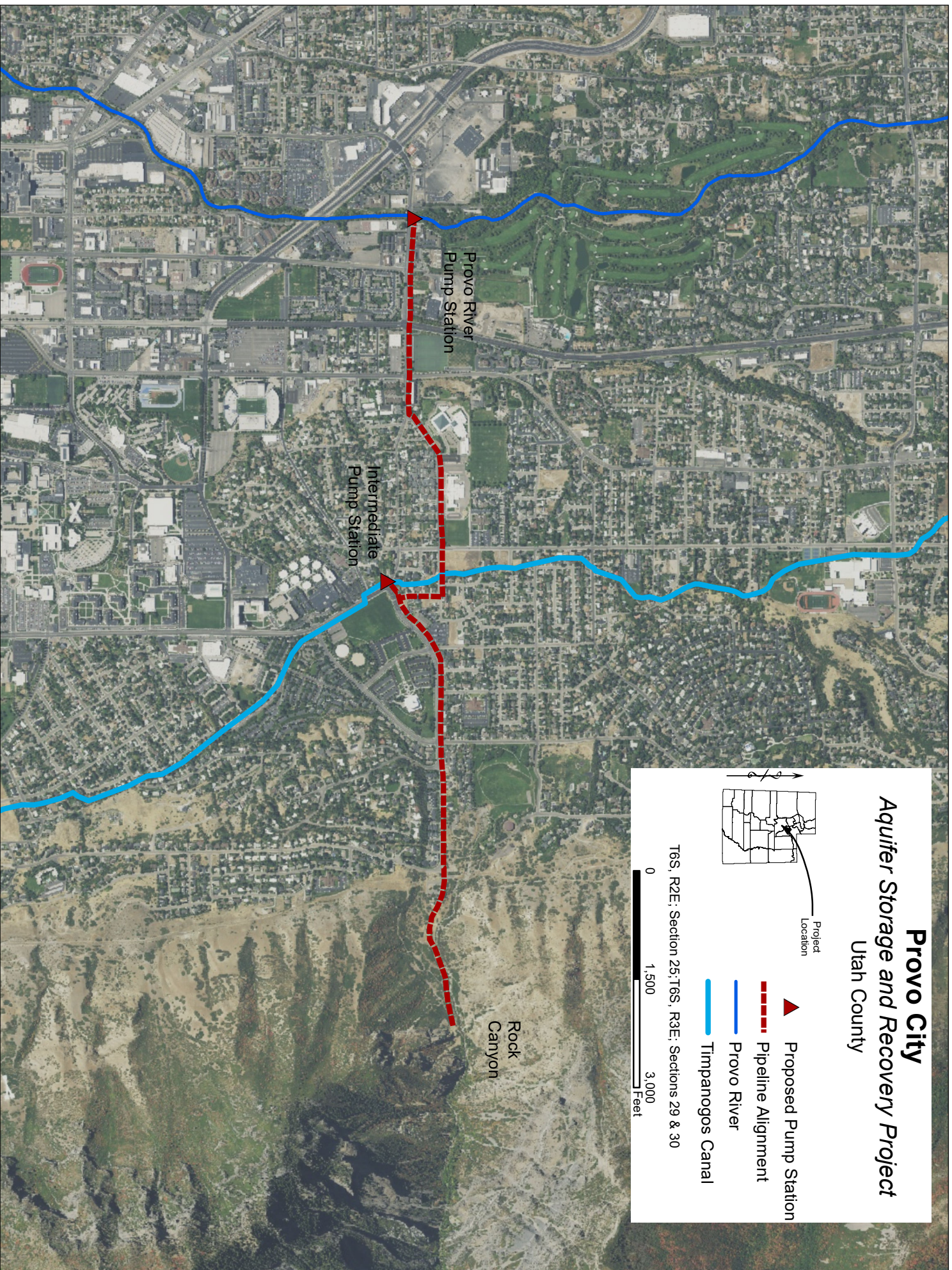
Provo City Aquifer Storage and Recovery Project Utah County



Rock
Canyon

Intermediate
Pump Station

Provo River
Pump Station



BOARD OF WATER RESOURCES
Committal of Funds



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

Project Number: RE432
Fund: Conservation and Development Fund
Total Cost: \$6,000,000

Application Received: 1/3/2020
Authorized: 4/9/2020
Board Meeting Date: 10/8/2020

Board Member: Kyle Stephens
Project Manager: Tom Cox

Project Summary: The purpose of the project is to enclose approximately 3,400 feet of deteriorating lined and unlined canal and replace about 2,900 feet of corroding steel pipe with precast concrete box culvert or reinforced concrete pipe.

Recommendation: Staff recommends the board commit 57.4% of the project cost, up to \$3,444,000, and that the project be purchased at 1.49% interest over 30 years, with annual payments of approximately \$143,300.

Project Contacts:

President:
Scott Paxman
138 W. 1300 N.
Sunset, UT 84015
801-771-1677

Manager:
Rick Smith
138 W. 1300 N.
Sunset, UT 84015
801-774-6373

Engineer:
Bryce Wilcox, P.E.
J-U-B Engineers
466 North Kays Drive
Kaysville, UT 84037
801-547-0393



Location

The proposed project is located in Clearfield, Layton and Sunset in Davis County.

Project Summary

In April the board authorized a project to enclose approximately 3,400 feet of deteriorating lined and unlined canal and replace about 2,900 feet of corroding steel pipe with precast concrete box culvert or reinforced concrete pipe. Bids have been opened and it is anticipated construction will start in a few weeks after water is taken out of the canal.

Cost Estimate & Sharing

The cost estimate and sharing remain as authorized:

Agency	Authorized Cost Sharing	% of Total
Board of Water Resources	\$3,444,000	57.4%
WaterSMART Grant	1,948,000	32.5
Applicant	608,000	10.1
TOTAL	\$6,000,000	100%

Repayment

Staff recommends the board commit 57.4% of the project cost, up to \$3,444,000, and that the project be purchased at 1.49% interest over 30 years, with annual payments of approximately \$143,300.

BOARD OF WATER RESOURCES
Special Item Report (Authorization and Committal of Funds)



Applicant: **West Milburn Irrigation Company Inc.**

Project Number: RE442
Fund: Revolving Construction Fund
Cost Estimate: \$650,000

Application Received: 7/29/2020
Board Meeting Date: 10/8/2020

Board Member: Blaine Ipson
Project Manager: Marisa Egbert

Project Summary: The purpose of the project is to replace over 4 miles of canal with 2.8 miles of pressurized pipe, to facilitate the conversion from flood irrigation to sprinklers.

Recommendation: Staff recommends the board authorize and commit 51.6% of the project cost, up to \$335,000 and that the project be purchased at 0% interest over 25 years with annual payments of approximately \$13,400.

Project Contacts:

President:
James Gillespie
PO Box 2337
Boise, ID 83701
208-344-8400

Secretary/Treasurer:
Raymond Compton
30455 North 11000 East
Fairview, UT 84629-5541
435-427-3946

Engineer:
Layne Jensen
Franson Civil Engineers
1276 South 820 East
American Fork, UT 84003
801-756-0309



Location

The proposed project is located west of Milburn, which is about 5 miles north of Fairview in Sanpete County.

Introduction & Background

The company's irrigation system consists of a 4.4 mile long, open ditch canal (Long Ditch). The diversion structure is located about 1.7 miles north of Milburn on the San Pitch River. The canal travels on a hillside west of the company's service area. The company's water right is for 1.75 cfs.

There are 13 shareholders with 320 total shares, irrigating 320 acres. The current system supports 25 acres of sprinkle-irrigation and 295 acres of flood-irrigation. The main crop type currently is pasture (about 270 acres).

The company has not received funding from the Board in the past. The current assessment was raised recently to \$20/acre (share) from \$10/acre (share).

Existing Conditions & Problems

There are two main issues with the existing system: 1) the ability to divert the total allowed water right and 2) seepage losses in the existing canal.

While the average diversion between 2000 and 2018 was about 337 acre-feet, between 2012 and 2018, due to drought conditions, the average diversion was only about 154 acre-feet. During this seven year period, the company was able to divert their full water right only in 2017. When removing the amount for the 2017 diversion, the average diversion over the other six years was about 117 acre-feet.

The engineer has estimated that the canal losses may be as high as about 25% per mile in some sections of the canal.

Proposed Project

The purpose of the project is to replace the 4.4 miles of canal with 2.8 miles of pressurized pipe. This will allow the shareholders to convert from flood irrigation to sprinklers. It is expected that all of the 320 acres will be converted to sprinkle-irrigation.

A sediment trap/regulating pond will be constructed near the diversion.

Franson Civil Engineers is the design engineer. Construction is expected to begin in October 2020.

Benefits

The project is expected to save water due to a reduction in seepage and evaporation losses. Additionally, the project will keep debris out of the water system. In 2018, the Hilltop Fire caused a lot of ash and debris to contaminate the San Pitch River and accumulate in the company's canal system.

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	\$ 23,000.00	\$ 23,000
2	Surveying	1	LS	5,000.00	5,000
3	Site Prep	1	LS	7,000.00	7,000
4	F&I 15" PIP DR 64	7400	LF	18.92	140,000
5	F&I 12" PIP DR 51	3170	LF	16.72	53,000
6	F&I 10" PIP DR 51	2110	LF	15.40	32,500
7	F&I 8" PIP DR 41	2060	LF	10.92	22,500
8	Appurtenances	1	LS	17,000.00	17,000
9	8" Turnout/Meter	2	EA	9,500.00	19,000
10	4" Turnout/Meter	11	EA	6,000.00	66,000
11	Pipeline Sump Drain	3	EA	4,000.00	12,000
12	Road Crossing	1	EA	3,000.00	3,000
13	Sedimentation Basin	1	LS	60,000.00	60,000
Construction Cost					\$460,000
Contingency					46,000
Easements					38,000
Design & Construction Engineering					72,000
Legal and Administrative					14,000
Environmental Compliance					20,000
TOTAL					\$650,000

Cost Sharing & Repayment

The recommended cost sharing and repayment are:

Agency	Cost Sharing	% of Total
Board of Water Resources	\$335,000	51.6%
WaterSMART Grant	255,600	39.3
Applicant	59,400	9.1
TOTAL	\$650,000	100%

The company has been awarded a WaterSMART Grant from the Bureau of Reclamation.

Staff recommends the board authorize and commit 51.6% of the project cost, up to \$335,000 and that the project be purchased at 0% interest over 25 years with annual payments of approximately \$13,400.

Financial Feasibility

To estimate the increase of the annual crop income with the project, five scenarios were modeled with varying estimated crop yields, and on-farm and conveyance efficiencies. The output was



compared between pre-project and potential post-project results. The high and low results were omitted and the middle three results were averaged for an estimated annual net increased crop income.

Additionally, the company has estimated that the operation and maintenance costs will be reduced by about \$500/annually with the project. The following table summarizes these results.

Benefit	Amount
Estimated Annual Net Increased Crop Income	\$10,500
Reduced Operation & Maintenance Costs	500
NET ANNUAL BENEFIT	\$11,000

Typically the annual repayment is calculated as the Board's cost share of the non-grant money multiplied by the net benefit. For this project, the Board's cost share is about 85% of the non-grant money. However, that would result in an annual repayment of about \$9,400 (85% of \$11,000). With a repayment of \$9,400, it would take more than 35 years to repay the project. The Board's guidelines suggest a maximum term of 25 years. With a term of 25 years, the annual repayment would be \$13,400. This is equivalent to \$41.88 per share.

Water Rights & Supply

The water right related to this project is #65-3242, for a diversion of 1.75 cfs between April 1 and October 15.

Easements

The pipeline will mostly follow shareholder property lines or be constructed through open fields. It is expected that the pipeline will have one road crossing.

Environmental

The existing canal will be abandoned by the company. Vegetation in the immediate vicinity of the canal will lose a source of water as seepage from the canal will no longer be available.

The company will complete an Environmental Assessment in accordance with the requirements of the WaterSMART Grant.

Water Conservation

Depending on the amount of water the company can divert, the engineer has estimated that as much as 200 acre-feet/year could be conserved by the project.

Applicant's Responsibilities

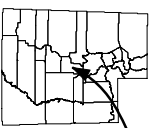
If the board authorizes the proposed project, the applicant must do the following before a purchase agreement can be executed:

1. Obtain all easements, rights-of-way, and permits required to construct, operate, and maintain the project.



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

West Milburn Irrigation Company Canal Piping (Pressurized) Project Sevier County



Project
Location

■ Pipe Size Transition

— Existing West Milburn Canal

— Proposed Pipeline

— West Milburn Service Area

— San Pitch River

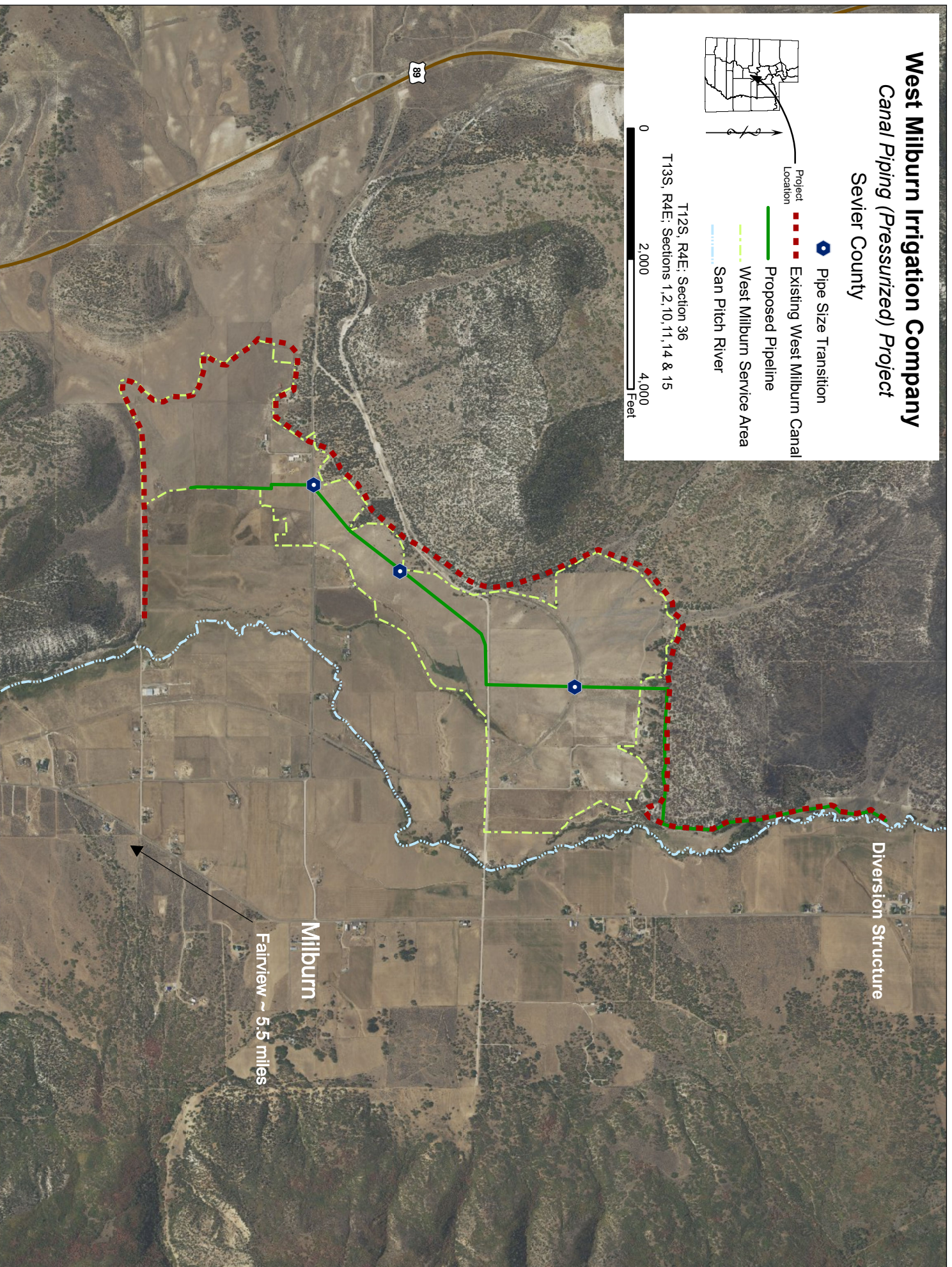
T12S, R4E: Section 36
T13S, R4E: Sections 1, 2, 10, 11, 14 & 15

0 2,000 4,000 Feet

Diversion Structure

Milburn

Fairview ~ 5.5 miles



BOARD OF WATER RESOURCES
Special Item-Additional Dam Safety Funds



Applicant: **Baker Reservoir Company**

Project Number: RC046
Fund: Revolving Construction Fund
Total Cost: \$4,350,000

Application Received: 7/23/2013
Phase I Committal: 8/8/2013
Phase II Committal: 8/8/2019
Board Meeting Date: 10/8/2020

Board Member: James A. Lemmon
Project Manager: Tom Cox

Project Summary: The purpose of the project is to complete the minimum state dam safety upgrades on the structure, including constructing a new spillway and crest parapet wall and to install toe drains.

Recommendation: Staff recommends the board commit an additional \$585,000 as a grant and \$65,000 as a loan and amend the agreements to state that the board will provide 90% of the project cost up to \$3,915,000 as a dam safety grant, and 10% of the project cost up to \$435,000 as a loan with the balance to be returned at 0% interest over 25 years with annual payments of approximately \$17,000.

Project Contacts:

President:
Larry Staheli
270 South Leavitt Lane
Veyo, UT 84782
435-632-5118

Secretary:
Ed Bowler
1636 S. Stonecliff Dr
St George, UT 84790-6139
435-673-4554

Engineer:
RB&G Engineering
1435 West 820 North
Provo, UT 84601
801-374-5771

Location

The proposed project is located four miles northeast of Veyo in Washington County.

Project Summary

Baker Dam was built in 1950 to impound waters of the Santa Clara River to provide irrigation water for approximately 1,100 acres of ground in and around the towns of Gunlock, Veyo and Central. The embankment is 66 feet high and about 683 feet long and is rated high hazard due to its location upstream of the communities. It does not meet state minimum safety standards due to inadequate spillway capacity and embankment seepage.

The board committed funds for Phase I in 2013 to slip-line the outlet conduit and construct new outlet structures to address sink holes that developed due to embankment material piping into cracks in the outlet conduit. Funds to complete the remaining work required to bring the structure up to current state safety standards, which includes construction of a new spillway and parapet wall on the crest to pass the required flood event, and to install toe drains, were committed in 2019 but it was decided to postpone the work until this year. Bids were recently opened and came in higher than anticipated due to the delay and current construction environment.

Cost Estimate & Sharing

The project cost estimate has increased by \$650,000, from \$3,700,000 to \$4,350,000. The committed and proposed cost sharing are:

Agency	Committed Cost Sharing	% of Total	Proposed Cost Sharing	% of Total
BWRe Dam Safety Grant	\$3,330,000	90%	\$3,915,000	90%
BWRe Dam Safety Loan	370,000	10	435,000	10
TOTAL	\$3,700,000	100%	\$4,350,000	100%

The applicant has made three \$3,000 loan payments previously on the Phase I portion of the loan.

Staff recommends the board commit an additional \$585,000 as a grant and \$65,000 as a loan and amend the agreements to state that the board will provide 90% of the project cost up to \$3,915,000 as a dam safety grant, and 10% of the project cost up to \$435,000 as a loan with the balance to be returned at 0% interest over 25 years with annual payments of approximately \$17,000.

BOARD OF WATER RESOURCES
Special Item – Additional Dam Safety Funds



Applicant: **Sevier Valley Canal Company**

Project Number: RC064
Fund: Revolving Construction Fund
Total Cost: \$200,000

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

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 an additional \$63,000 in dam safety grant and \$7,000 in loan, and amend the agreements to state that the board will provide 90% of the project cost up to \$180,000 as a dam safety grant, and 10% of the project cost up to \$20,000 as a loan to be returned at 0% interest over 10 years with annual payments of approximately \$2,000.

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

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. Bids were recently opened and came in significantly higher than expected.

Cost Estimate & Sharing

The project cost estimate has increased by \$70,000, from \$130,000 to \$200,000. The committed and proposed cost sharing are:

Agency	Committed Cost Sharing	% of Total	Proposed Cost Sharing	% of Total
BWRe – DS Grant	\$117,000	90%	\$180,000	90%
BWRe – DS Loan	13,000	10	20,000	10
TOTAL	\$130,000	100%	\$200,000	100%

Staff recommends the board commit an additional \$63,000 in dam safety grant and \$7,000 in loan, and amend the agreements to state that the board will provide 90% of the project cost up to \$180,000 as a dam safety grant, and 10% of the project cost up to \$20,000 as a loan to be returned at 0% interest over 10 years with annual payments of approximately \$2,000.

BOARD OF WATER RESOURCES
Special Item – Modify Terms



Applicant: **Rock Point Canal & Irrigation Company**

Project Number: RE368
Fund: Revolving Construction Fund
Total Cost: \$2,300,000

Application Received: 3/1/2015
Authorized: 6/18/2015
Committed: 5/11/2017
Board Meeting Date: 10/8/2020

Board Member: Randy Crozier
Project Manager: Tom Cox

Summary: The purpose of the project is to replace five miles of canal and ditches with pipe and was substantially complete in 2019. Due to the price of hay not reaching what was used to calculate the annual payment, the company requests the purchase period be extended to 30 years.

Recommendation: Staff recommends the board increase the purchase period of the project to 30 years and amend the purchase agreement to state that the project will be purchased at 0% interest over 30 years with one payment of \$30,800 and remaining annual payments of approximately \$20,200.

Project Contacts:

President:
Leon Kidd
1010 E. 2000 N.
Vernal, UT 84078
435-790-1775

Secretary:
Kenneth Long
44 W. 100 N.
Vernal, UT 84078
435-789-4150



Location

The proposed project is located five miles north of Vernal in Uintah County.

Project Summary

In May 2017, the board committed \$615,000 for a project to replace five miles of canal and ditches with pipe which was substantially completed in 2019. Although there have been some issues the company has had to deal with, the system is operating successfully. Water users have seen benefit from the project but not to the extent initially estimated, and they are struggling to come up with the necessary assessment to make the annual payment to the board.

The annual payment is based on an estimated net annual benefit which primarily consists of the value of an increased crop yield. In the applicant's case, the value of a ton of alfalfa used in the analysis was \$170. Currently the value of alfalfa in the Uinta Basin averages just under \$150 per ton (USDA data). This reduces the estimated net annual benefit of the project from \$85,300 to \$74,200.

The annual payment is calculated by multiplying the expected net annual benefit by the board's cost share percentage. The contracted annual payment of \$30,800 was calculated by multiplying the net annual benefit (\$85,300) by the authorized cost share (39.7%). However the board's share of the final cost ended up being 26.7%; therefore, if payments were calculated today using the board's guidelines the recommended payment would be approximately \$19,800 (\$74,200 multiplied by 26.7%), which would make the repayment term more than 30 years

The applicant requests the project purchase period be extended from 20 to 30 years.

Modification of Terms

Committed terms for the project purchase agreement are 0% interest over 20 years with payments of approximately 30,800. The applicant made its first \$30,800 payment in December 2019.

Staff recommends the board increase the purchase period of the project to 30 years and amend the purchase agreement to state that the project will be purchased at 0% interest over 30 years with one payment of \$30,800 and remaining annual payments of approximately \$20,200.

BOARD OF WATER RESOURCES
Special Item – Modify Terms



Applicant: **West Porterville Irrigation Company**

Project Number: RE401
Fund: Revolving Construction Fund
Total Cost: \$ 2,142,00
Application Received: 9/6/2017
Authorized: 3/21/2018
Committed: 10/11/2018
Board Meeting Date: 10/8/2020

Board Member: Kyle Stephens
Project Manager: Ben Marett

Summary: The applicant is requesting a modification of terms, due to an updated project cost estimate and an adjustment to the project cost share.

Recommendation: Staff recommends the board reduce committed funds by \$25,000, and amend the purchase agreement to state that the board will provide 45.3% of the project cost, up to \$971,000, and that the project be purchased at 0% interest over 30 years with annual payments of approximately \$32,400.

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 below budget. Although the applicant has right-of-way to the reservoir and access road, construction of the enlargement was delayed at the request of one of the landowners who was embroiled in a legal dispute over the land in question. The applicant expects to continue with the reservoir enlargements this fall.

To date, total project expenditures have reached approximately \$1,975,000, of which, the Board of Water Resources has contributed approximately \$835,000. It is expected that the pond enlargement can be completed with the total project cost coming to \$2,142,000.

When funds were committed to the project, the applicant intended to contribute a larger percentage of the project's overall cost. The Board's cost share of the project was decreased commensurate with this request. At this time, the applicant is requesting that the board decrease the overall project cost estimate consistent with the updated estimate, and that the cost share percentages be recalculated consistent with an 85/15 cost share percentage of non-grant funds.

Agency	Committed Cost Sharing	% of Total	Proposed Cost Sharing	% of Total
Board of Water Resources	\$ 996,000	42%	\$ 971,000	45.3%
WaterSMART	1,000,000	42	1,000,000	46.7
Applicant	368,000	16	171,000	8.0
TOTAL	\$2,364,000	100%	\$2,142,000	100%

Modification of Terms

Staff recommends the board reduce committed funds by \$25,000, and amend the purchase agreement to state that the board will provide 45.3% of the project cost, up to \$971,000, and that the project be purchased at 0% interest over 30 years with annual payments of approximately \$32,400.

BOARD OF WATER RESOURCES
Special Item – Delay payments



Applicant: **Center Creek Water System**

Project Number: RE0200
Fund: Conservation & Development
Total Cost: \$1,165,000

Application Received: 11/22/1999
Authorized: 3/9/2000
Reauthorized: 8/13/2004
Committed: 3/10/2005
Board Meeting Date: 10/8/2020

Board Member: Wayne Anderson

Summary: The purpose of the project is to improve its culinary water system. The applicant requests that their 2020 payment be deferred, and the interest be forgiven, to pay for completion of a well house and pump installation.

Recommendation: Staff recommends the board amend the Purchase Agreement to defer all remaining payments by one year, and forgive the interest for 2020. Regular payments will resume in 2021.

Project Contacts:

President:
Allen Sweat
2682 E Center Creek Rd
Heber, UT 84032
435-671-3906

Secretary:
Teri Sweat
2637 S Old Settler Rd
Heber, UT 84032
435-671-7702

Engineer:
Steve Jackson
Jackson Engineering
3376 Stonehill Lane
Salt Lake City 84121



Location

The project is located about three miles southeast of Heber City in Wasatch County.

Project Summary

In March 2005, the board committed \$877,000 for improvements to the applicant's culinary water system, which included redeveloping two springs, constructing a 300,000 gallon storage tank, installing about three miles of distribution pipeline, purchasing interest in a well being drilled, and tying that well into the culinary system. While most of the project was constructed, the applicant was unable to build a well house and equip the well with a pump as they had planned, in large part due to the 2008 economic downturn. In 2008, a development was planned that would have helped with the cost of the project. However, the development plans were abandoned with the downturn.

They have worked for several years to save the necessary funds to complete this part of the project. The cost estimate to finish this project is approximately \$290,000. The applicant currently has \$238,000 secured. Rather than ask for additional funding, the applicant is requesting that their payments to the board be deferred by one year and that no interest accrues for this year. The current repayment is \$31,000 and the interest for 2020 is approximately \$8,000. They believe that with the deferral of the payment and the elimination of interest for this year, they will be able to complete the project.

Modification of Terms

Staff recommends the board amend the Purchase Agreement to defer all remaining payments by one year, and forgive the interest for 2020. Regular payments will resume in 2021.

BOARD OF WATER RESOURCES

Application Summary



Applicant: **Bench Creek & Sunrise Irrigation Co.**

Project Number: RE443
Fund: Revolving Construction Fund
Cost Estimate: \$1,200,000

Application Received: 8/10/2020
Board Meeting Date: 10/8/2020

Board Member: Wayne Andersen

Project Contacts:

President:
Wade Klingler
4639 E. Bench Creek Rd.
Woodland, UT 84036
435-619-1802

Secretary/Treasurer:
Billie Sue McNeil
1300 E. Lower River Rd.
Woodland, UT 84036
435-513-4607

Engineer:
Brian Deeter, J-U-B Engineers
466 N 900 W
Kaysville, Ut 84037
801-726-5819

Location

The proposed project is located three miles southeast of Woodland in Wasatch County.

Proposed Project

The applicant is requesting financial assistance from the board to replace corrugated metal pipe and ditch with pipeline.

Water Rights

- 55-11135
- 55-11234
- 55-11315

Unapproved

BOARD OF WATER RESOURCES

BRIEFING MEETING

MINUTES

August 8, 2020

Virtual Meeting

Utah Department of Natural Resources

BOARD OF WATER RESOURCES VIRTUAL
BRIEFING MEETING
Department of Natural Resources
Salt Lake City, UT
August 6, 2020
10:00 a.m.

THOSE PRESENT: Chair Blaine Ipson
Vice-Chair Kyle Stephens
Norman Johnson
Juliette Tennert
Wayne Andersen
Charles Holmgren
James Lemmon
(not present, Randy Crozier)
Director Todd Adams
Deputy Director Candice Hasenyager
Assistant Director Joel Williams
Assistant Director Todd Stonely
Ben Marett
Carmen McDonald
Jaqueline Pacheco
Kim Wells
Lindsay Russell
Marisa Egbert
Rachel Shilton
Randy Staker
Shalaine DeBernardi
Russell Hadley
Tom Cox
Marty Bushman
Marcus Keller, Zions Bank

Called to order by CHAIR BLAINE IPSON and 10:06 am. Executive Order 2020-5 from Governor Gary Herbert was read which stated: Due to the COVID-19 pandemic and the ability of the virus to spread from person to person, Governor Gary Herbert has implemented a number of Executive Orders directed at controlling spread of the virus by minimizing face-to-face interactions. Public gatherings are strongly discouraged by the CDC, State of Utah, and local health departments since they facilitate face-to-face contact and pose an elevated risk for virus transmission. The Division of Water Resources and the Board of

Water Resources Chair have determined that public gathering at Board meetings presents a substantial risk to the health and safety of those who attend—and will conduct this meeting using a fully electronic format. This meeting format is authorized by a recent amendment to the Utah Code 1 and Executive Order by Governor Herbert 2 —and will be temporarily used in place of the in-person public meetings that usually occur. Anyone wishing to comment on the meeting’s agenda topics or to observe the meeting may do so by logging on to the Division’s webpage where instructions and links are provided. CHAIR BLAINE IPSON started with a roll call. All Board members were present with the exception of RANDY CROZIER as noted above.

DIRECTOR TODD ADAMS pointed out that the State Legislature had changed some of the rules regarding COVID-19 and had directed us to read this Executive Order at future meetings. The list of staff members present was read, as noted above, and the time was turned back over to CHAIR BLAINE IPSON.

CHAIR BLAINE IPSON provided some rules and suggestions for the remainder of the meeting. Were there any comments or changes to the minutes from the June 18th meeting?

CHARLES HOLMGREN there was a lot of information from the last board meeting with the presentations and I was amazing at the quality of the minutes.

CHAIR BLAINE IPSON I agree, the minutes were very good.

FEASIBILITY REPORTS:

RE440 Nibley Blacksmith Fork Irrigation Company

RUSSELL HADLEY the project is in Nibley City and the company serves approximately 3100 acres of agricultural property and they have 181 homes lawns and gardens on their system. Presently, there is about 2200 feet of canal that is open and running through residential areas (backyards, etc) and they are worried about the safety issues. There is also a lot of seepage in the area and the access to fix any issues is limited. They also have some issues at their diversion on the Blacksmith Fork as it is deteriorated and the gates are rusting. The stop logs in the river must be manually set.

They are hoping to pipe the 2200 feet section and replace the headworks at the diversion.

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. The interest rate is set at 0.15% because it is a weighted average between the agricultural portion being repaid at 0% interest and the lawn and garden being repaid at 1.97% interest.

The applicants would like to request a waiver from the board for the 10 am to 6 pm watering restriction ordinance. They do not have authority to tell the HOA’s when they can water and there are some additional reasons they will share during the full meeting.

CHARLES HOLMGREN Russell did a good job of summarizing the project and I had some additional interaction with the president of the company regarding their waiver request. The portion that goes to homeowners is quite small and they irrigate with the run of the river (no storage) so if they are not drawing water during that time, it is water lost to them that goes to the next priority water right holder.

Also, they divert the water to the homeowners and it would be complicated to set up a schedule to get the water to those that would typically water during that time frame.

Regarding the project itself, it is incredible that no one has been hurt based on the diversion structures condition. It is very unsafe so I feel this project to be a good one.

CHAIR IPSON I would ask Director Adams to explain if that watering guide is a guideline or if it is a firm policy?

DIRECTOR ADAMS it is a guideline and we have waived that before and you are welcome to do so again. I had a question on the project as well: I worked at a gravel pit nearby when I was young and we could not begin work early in the morning because the canyon winds would blow so hard that the mason sand would blow away, so was that an issue they discussed as well?

CHARLES HOLMGREN I did not recall hearing that, it was mostly just scheduling issues and not being able to divert the full amount of water at those given hours.

VICE-CHAIR STEPHENS I had a question about the request for the exemption from the water times; would it be possible for them to add language in the agreement with the HOA that they strongly recommend or encourage staying within those limits?

RUSSELL HADLEY I would like the Board to discuss this with them because I have asked if they could modify the way they distribute their water and set up their watering schedule. They treat the lawn and garden the same as the irrigation water. It would be good to ask them about this on why they feel like they can't change it.

CHARLES HOLMGREN I did make that suggestion that they better educate their lawn and garden users.

NORMAN JOHNSON does the HOA not have any rules or regulations on these things?

SHALAINE DEBERNARDI this is an irrigation company that is providing water to some HOA's and the company we are dealing with doesn't deal with the actual water users. Typically the Board would have recommendations but it's not something that has ever been enforced. This is overall, a Board decision so however you decide is appropriate. I do think it is worth having the discussion with the company.

JULIETTE TENNERT I don't have an issue with making granting an exemption because it is such a small amount and the reason seems well enough. I just would like to ask how often we have granted exemptions in the past?

SHALAINE DEBERNARDI I would say a handful of times. There have been municipalities that do not have the storage capabilities so it's not uncommon to offer an exception to someone who asks, especially if it would cause struggles with how they run their systems.

JULIETTE TENNERT from my perspective, the cost benefit analysis of it seems to make sense. I would like them to encourage the HOA to have those rules or regulations on watering but it does not make sense to let that stand in the way.

MARISA EGBERT a water company above Coalville that provides drinking water and while the houses did have a spigot to use culinary water, almost all of them were on secondary and that was through an irrigation company. The water company had their hands tied in that situation. They can ask people to be more careful but another issue is the lack of reservoir storage. When multiple entities that make rules are involved, it can get tricky.

CHAIR IPSON from my perspective, several small communities do get water from the irrigation company and they are on a use or lose basis and it makes it tough when they don't have storage. I agree with Juliette and think this is a good request. One size does not always fit all.

WAYNE ANDERSEN what kind of growth pressure is in that area and could this problem be expanded in the future?

RUSSELL HADLEY there are homes being built and they don't want to see the area turning into a lot more residential development because they want to keep it as a farming community. In regards to Vice-Chair Kyle Stephens question, the company sells water to the HOA (who are the shareholders) and they have a special diversion that runs to a pump station and pressurizes it out to the lawn and garden system. The irrigation company does not seem to have much control over what the HOA does and they do not actually know the rate that the HOA charges customers. They are charging \$30 a month for pumping but they don't get a lot of cooperation from the HOA.

DIRECTOR TODD ADAMS if we look at the map, we can understand the growth concerns that Wayne had. The lots are mostly large lots along the river bottom and then becomes the town of Nibley once it reaches the highway.

CHARLES HOLMGREN I will be ready to make the motion after the discussion in the main meeting.

COMMITTAL OF FUNDS:

RE417 Peoa South Bench Canal & Irrigation Company

JAQUELINE PACHECO the project was authorized in January 2019 and the purpose of the project is to replace their current canal system with PVC pipe and HDPE pipe, construct a new fish-friendly screen structure, metering, and underwater micro-hydro turbine station that will produce 588 kWh of energy per year.

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.

VICE-CHAIR STEPHENS what is the status of energy sales that are being generated from the hydro part? Do those sales go to the company?

JAQUELINE PACHECO I have not followed up on that aspect but we can ask them at the Board meeting later today.

CHARLES HOLMGREN was this the area where there was some controversy in piping the system because people in the area depended on weakened canals to irrigate their property?

JAQUELINE PACHECO I don't believe this is the same project.

RE427 Ashley Central Irrigation Company

JAQUELINE PACHECO this project was authorized in August of 2019 and 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.

Staff recommends that 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.

NORMAN JOHNSON do they have the WaterSMART grant in hand?

JAQUELINE PACHECO yes, they do.

CHAIR IPSON Norman Johnson will be making the motion on this if Randy Crozier is unable to attend.

RE434 Salem City

WAYNE ANDERSEN they want to install 1900 secondary water meters throughout the city and service area and the cost is \$2,100,000 and we would be committing up to \$1,530,000. It is like any other metering projects and they end up saving a lot of water over time.

MARISA EGBERT I do not have the numbers but they have a list of infrastructure projects that they would have to do if they do not install secondary water meters. The city did send me a response from their public comment period and it was mostly about taxes and they were concerned about taxes being raised. We don't usually get comments when people are okay with the project.

Staff recommends the Board commit 72.9% of the project cost, up to \$1,530,000, and that the project be purchased at 1% interest over 15 years, with annual payments of approximately \$119,000 (includes reserves).

CHAIR IPSON will those comments be read into the meeting?

SHALAINE DEBERNARDI no, these are the public comments that were from the city after they sent out the notice of the project. We had received comments on previous projects like this but we have not received any for this particular one. They already have a bond closing scheduled for next week as well.

MARISA EGBERT they and our bond attorney have been working on ensuring all of the items are correct and although things are a bit trickier with secondary metering due to the statute requirement of an engineer involved in the design, we are hoping that everything will be correct. They are working with a system that is already in place and retrofitting the meters so they will need specs and typicals of how the meters would be installed and different possibilities that could come up. When this was done in Weber Basin, they had meters in both the front and back yards so they supplied information about the meters and the warranty of the meters along with typicals of how it would look when they open up and how they would install the meter. This all had to be signed by an engineer even though their own staff was going to be installing the meters.

VICE-CHAIR STEPHENS what percentage of their meters in the city does this represent?

WAYNE ANDERSEN this represents 100% of their meters but I am not certain.

MARISA EGBERT I believe they have some installed but this project will take care of the rest. All new development is required to have meters installed.

WAYNE ANDERSEN the older part of the city has not been metered so they are just trying to get everyone up to speed.

MARISA EGBERT they have about 2400 residential connections and 150 commercial connections. The secondary system has about 2300 connections and the residential secondary is 2,238.

RE436 Muddy Creek Irrigation Company

JAUQUELINE PACHECO this project was presented earlier this year and this is the 4th project that the Board has funded for this company. The purpose of the project is to enclose the existing irrigation system (about 7 miles total) in a pressurized pipe. This will lower the water table and reduce salt loading. They received a salinity control grant from the Bureau of Reclamation for \$4,583,000 or 82.1% of the project cost.

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.

RC064 Sevier Valley Canal Company

TOM COX the purpose of the project is to line the leaking corrugated metal outlet pipe of the Three Creeks Dam (which is a small dam located in Sevier County and operated by Sevier Valley) as part of the necessary dam safety upgrades.

Staff recommends the Board commit 90% off 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.

Other items will be taken care of in the future when there is more money available.

CHAIR IPSON it is my understanding that this is more of an emergency situation and not high on the list but this action is required by dam safety. Jim Lemmon will be making the motion on this.

MARISA EGBERT no one from the company will be at the Board meeting.

RC065 Whiterocks Irrigation Company

BEN MARETT this is similar to Tom's project in that it is a big problem because they need to avoid storage restrictions and they had some sediment coming out of their outlet structure. The purpose of the project is to install a seepage collection system and a filter drain near the outlet works of Paradise Park Dam.

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

CHAIR IPSON Juliette Tennert will be making this motion if Randy Crozier is not present.

SPECIAL ITEMS:

RE437 American Fork City

SHALAINE DEBERNARDI the reason why this project is both an authorization and committal of funds is because the application came in when I initially was promoted to this position and when everyone was transitioning to working from home. The city is ready to get going on this project and we are helping them by doing both at this meeting.

JAQUELINE PACHECO American Fork City provides culinary and secondary water to approximately 33,000 residents and the purpose of this 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. There are currently a lot of issues in the system due to leaks and there is a development moratorium in effect because they aren't able to supply additional water.

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).

WAYNE ANDERSEN Todd brought up a point that is very helpful to understand. At this time when taxes for the state are less than what they are anticipated, the state will be looking for as much money as they can to pull from departments and if we have such a large amount of money committed to go out to American Fork, it is something they cannot take away. I realize that this is a lot of money and it dips into our funds, but in the long run it is an advantage because of the situation we are in.

JULIETTE TENNERT I have a technical question: this is a really excellent project but I was wondering if there were city funds that could help with this project?

SHALAINE DEBERNARDI it could have come from the City Water Loan fund if we had more money in the fund. The C&D fund is where we have the most amount of money and although we have some large projects authorized to use funds from the C&D fund, they have not been committed yet. The City Water Loan fund has a much smaller amount in it and we like to use those funds for projects like Trenton Town that tend to be a bit smaller. The City Water Loan fund also can do loans at 0% interest and we like to do those for those smaller towns to help them.

VICE-CHAIR STEPHENS we just want to keep in mind that we do have smaller cities around the state that will have projects come up and we want to have funds available for them as well.

CHAIR IPSON that is my perspective as well. Representing a rural area, it can be concerning to see such a large chunk of funds going to a project like this. We had another project that we will discuss at another meeting that has a projected cost of \$33 million. This is a good project but we do need to have balance as well.

DIRECTOR ADAMS when these large projects came in, we had staff look at the fund balances and the projected future of where we will be in the coming months and years. As of now, the forecast is positive and although we are unsure of the economic future and how the legislative process will affect the budget, for now, we are balanced and prepared to continue funding projects.

RL585 Powder Mountain Water & Sewer

VICE-CHAIR STEPHENS this project and company have had some complications and moving parts associated with it. I just want to compliment the staff for thinking outside the box and looking at different ways where we might be able to satisfy the needs of this company and area.

BEN MARETT this project has been going on for awhile. We have a water district that does not have any sources of water. They are receiving water from a private developer nearby, however because of the number of connections they have, they are required to have a water source. The proposed project is to redevelop Pizzle Springs by constructing and rehabilitating three booster pump stations, construct a 250,000 gallon water storage tank, and lay new pipe to connect the tank to the distribution network. 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).

RE395 Burns Bench Irrigation Company

JAQUELINE PACHECO the funds for this project were committed last year and the purpose of the project is to install a radial gate at the diversion structure. Additionally, 1300 feet of 42-inch HDPE pipe and 1700 feet of 240inch HDPE pipe will be installed to enclose the existing canal and eliminate the earthen pond. The project cost has increased.

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 as 0% interest over 20 years with annual payments of approximately \$10,600.

RE421 West Cache Irrigation Company

RUSSELL HADLEY the location of the project is between Trenton and Newton and 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. The bids came in higher than the original committed amount. The cost estimate came in at \$759,000 more than anticipated.

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.

CHARLES HOLMGREN this is a project we have looked at previously and based on staff's report, we will possibly satisfy this request. Russell and I had some discussions on the affordability of this project for this company in this area and it's complicated but we think it's a feasible project for them.

VICE-CHAIR STEPHENS just out of curiosity, what caused the increase in cost?

RUSSELL HADLEY they got three bids and they were all quite high. It was just estimated a bit low and it seemed like everything was higher than was originally estimated.

CHARLES HOLMGREN I don't know how the rest of the state is but the northern part is pretty busy with activity and development so getting a contractor is difficult.

RE401 West Porterville Irrigation Company

BEN MARETT if we could withdraw this agenda item at this time, that would be best. There are some changes that need to be discussed with the company.

CHAIR IPSON will they be at the meeting to discuss this?

SHALAINE DEBERNARDI they will not, they just have more changes than we are prepared to deal with at this meeting. There was no notice for those changes so it is appropriate to postpone it for a couple months.

CHAIR IPSON we will have a planning report on the State Water Plan from Rachel Shilton during the meeting. We will have a Lake Powell Pipeline report from Joel Williams. We will have a Bear River Development report from Marisa Egbert. The Director's Report will be given by Director Todd Adams.

DIRECTOR ADAMS we did talk about funding so we will have Joel Williams provide a Status of Funds report.

STATUS OF FUNDS:

JOEL WILLIAMS starting with the Revolving Construction Fund, this fund grows due to repayments coming back from projects. The only new money that comes in is the \$3.8 million which is transferred from the C&D fund each year for dam safety. If we were to move forward with everything we have authorized and committed, we would be negative but we have begun to divert projects to other funds to avoid this and we will continue to divert to the C&D fund (where appropriate) until the balance is able to recover. This fund is required to have a 0% interest rate as well. Regarding the City Loan Fund, it is our slowest growing fund. There is never new money and it only grows from repayments. Smaller projects come from this fund so the growth is slower because this is our smallest fund. This does have a

very flexible interest rate and can go down to 0% so we try to leave this here for the small cities that come to the Board and need a low interest rate in order to better repay the project. There is a balance of \$5,353,000 in the fund right now. The Conservation and Development fund (C&D) is the largest fund and it gets quite a bit of sales tax money each year. We get an excess of \$20 million per year from that. There is a balance of \$89,205,000 which is higher than normal because we have not had many larger projects. The American Fork project is feasible because of the funds here. Several of the projects authorized have been sitting for quite some time and we are currently working with the applicants to see if they want to continue with the project or withdraw.

VICE-CHAIR STEPHENS I sit on the Community Impact Board and I was wondering if there is ever any coordination efforts that take place between the Board of Water Resources and the Community Impact Board? I do see requests come in from time to time from city water or loan projects and we do have a lot of interaction with the Division of Drinking Water.

DIRECTOR ADAMS we do have a group called the Water Development Coordinating Council that includes the CIB, Drinking Water, and Water Quality as well as the State Treasurer. We meet to coordinate projects and ensure groups are getting funding from the divisions and resources that are best.

CHARLES HOLMGREN we did have NRCS come into our area a few weeks ago and the Bear River Canal Company and Blue Creek Irrigation Company are looking at PL5166 grants from NRCS. The Bear River Canal Company is looking at doing a project that is at least \$25 million in the next 2 years and NRCS would fund 75% of that company will likely be coming to the Board to request some money to make up the deficit that will not be covered.

DIRECTOR ADAMS is Blue Creek Irrigation Company looking at the dam safety issue or are they looking at canal improvements?

CHARLES HOLMGREN primarily looking at canal improvements at this time. After speaking with them, they are talking about increasing the capacity of their reservoir.

DIRECTOR ADAMS it is time to meet with GOMB (Governor's office of Management Budget) regarding new building blocks. We have submitted building blocks for additional appropriations for money for dam safety due to increased cost and the number of funds that require updates. We are also working on Water Banking and the water marketing grant. We will start to see the projects for those coming before the Board so Candice and her team will be working on that.

CHAIR IPSON I want to add that regarding dam safety, it is imperative we keep the funding going for those high hazard dams and I would encourage each Board member to reach out to their legislator and talk to them about the importance of funding for dams. Encourage them to support that building block. Regarding water banking, this was a big one with the legislature this past year and the Division of Water Resources is a key player in that effort. That work is much appreciated. These are very high priorities and we want to be prepared. As a Board, what can we do?

DIRECTOR ADAMS I know we are working on it but not quite ready yet. Candice can address that because she has been working hard on that.

DEPUTY DIRECTOR CANDICE HASENYAGER we are currently working with staff to develop templates for the board for the application process. That will be something that will be coming before you for review, hopefully by the next meeting. Another element we are working on is based on SB26 which was the ability of the Board to charge an application fee for these water banking applications so we need to get an estimate on what that should be based on the time it takes staff to review and provide information

to you. Those are the big next steps and we will have drafts to you by the next board meeting. One of the benefits we do have (whether is good or bad) is that some of these applications will take some time so we will likely not have applications by the next Board meeting. Our goal right now is to get some information to the Board so we can be better prepared for when we do start getting those applications. CHAIR IPSON if we get an application, I am nervous about what our protocol would be. I would appreciate having something to review by the next meeting. What do other Board members think about that?

VICE-CHAIR STEPHENS I would agree and I would ask also if there is a sense of what type of interest there is for this type of approach?

DEPUTY DIRECTOR HASENYAGER we have three active pilot projects we are working on that are part of the WaterSMART grant and those areas are Cache Valley, Snyderville Basin, and Price River area. Those might not be the first ones coming forward as there are likely some more simple water banking applications that will come first. We have hired Clyde Snow to be our project manager for BOR WaterSMART grant and help us develop a statewide water marketing strategy. Getting these protocols in place and getting your approval would be greatly beneficial for the whole water community.

WAYNE ANDERSEN if there is anything I can do to help, I personally have some water that I would be interested in banking. I don't know if there would be any value in that but I am indicating that I can help wherever I can to see if we can get something put together.

DEPUTY DIRECTOR HASENYAGER Emily and I can reach out to you to get a better understanding of your interest and potentials in the area.

CHAIR IPSON going back to dam safety, what can we as a Board do to help support that effort Director Adams?

DIRECTOR ADAMS right now we are just preparing the documents that are going to the GOMB and hopefully that will get prioritized. There is a special session that is scheduled for later this month and we will know a lot more about building block requests at that time. I will let you know when and if, but for now it is preliminary.

We did have our budget cut (7-8%) and we are working through that. We did have one position cut and we are working on getting that individual a place in the office. Some of the other things we are working on are water banking, canal issues, Lake Powell Pipeline, etc.

Climate wise, we are hot and dry and the reservoir storage capacity is about 76% statewide however in the Sevier area, the capacity is around 26%. August has been a very dry month. Precipitation in the month of July was about 40% of average. The fire above Provo was a high elevation fire and that is not good that things are that dry. We are continuing to work through COVID and we are keeping the office open at this time with at least 2 in the office during the 8-5 hours. The staff and managers have been doing an excellent job in keeping up the work and it is much appreciated. For the next couple meetings, I want to turn the time over to the Board to decide whether they should remain as virtual meetings or if we should plan an in-person meeting.

CHAIR IPSON the next meeting is October 8 and that was the meeting we were going to do on our Board Tour in St. George. The Washington County Water Conservancy District was going to plan a tour for that trip. In light of COVID, I have visited with Jim Lemmon and it is hard to know what the next 2 months will bring. I assumed we would be meeting in person before now. In the next two months, I would not be confident in being able to meet in person. For now, I would suggest meeting virtually for the October

meeting. I would still like to have some sort of tour if possible that we can do virtually? I spoke with Director Adams and Jim Lemmon about this and I would like them to share their input.

DIRECTOR ADAMS I did have a conversation with their general manager and he is willing to do that. They can come up with some sort of presentation and host you virtually.

JIM LEMMON I think that would be the best thing to do at the moment. If we wait until the last minute, they would not be able to be prepared.

JULIETTE TENNERT December in St. George would be lovely if we decide to make a trip then.

WAYNE ANDERSEN I am fine with that.

VICE-CHAIR STEPHENS I am good with a virtual meeting.

NORMAN JOHNSON I think it would be fun to have a virtual tour and give Kyle a chance to be the virtual chairman.

CHAIR IPSON we will plan on the October meeting being virtual and we will follow up with the Conservancy District for a virtual tour. Regarding the December meeting, that has historically been the Christmas Staff Meeting so I am not sure if that would be feasible for all staff to go to St. George.

DIRECTOR ADAMS we do have a location reserved for the Christmas Staff meeting and there may be another virtual meeting taking place that day in the Department and that could present an issue with technology services if we hold an in-person meeting. It is tough to make a decision at this time.

CHAIR IPSON the meeting is scheduled for December 3 and we have enough time to reschedule if needed.

LINDSAY RUSSELL there is a possibility of reserving a room at the Capitol that can accommodate social distancing.

DIRECTOR ADAMS right now the Capitol is closed so it might not be open then. Let's keep the date now and we will hopefully know more in October.

WAYNE ANDERSEN I am planning on being involved in the discussions that require a motion but when we get to the reports, can I request time to participate with my grandchildren away from the meeting?

CHAIR IPSON that is fine, just please mention that you are leaving the meeting at that point.

DIRECTOR ADAMS I will follow up with Wayne to let you know that status of the State Water Plan.

CHAIR IPSON the Board Meeting is set to begin at 1 pm. Try to be back 15 minutes early.

CHARLES HOLMGREN moved to adjourn the meeting and VICE-CHAIR STEPHENS seconded. After a roll call vote, all (with the exception of Randy Crozier who was not present) voted to end the meeting.

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

August 6, 2020

Virtual Meeting

Utah Department of Natural Resources

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SUMMARY OF BOARD ACTIONS

August 6, 2020

1. PAGE 1: The minutes from the August 6, 2020 meeting were approved. CHARLES HOLMGREN moved to approve, NORMAN JOHNSON seconded, and after a roll call vote, all approved (with the exception of Randy Crozier, who was not present).
2. PAGE 3: RE440 – Nibley Blacksmith Fork Irrigation Company - the board authorized 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. CHARLES HOLMGREN moved to approve, VICE-CHAIR KYLE STEPHENS seconded, and after a roll call vote, all approved (with the exception of Randy Crozier, who was not present).
3. PAGE 4: RE417 - Peoa South Bench Canal & Irrigation Company - the board committed 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. VICE-CHAIR KYLE STEPHENS moved to approve, JIM LEMMON seconded, and after a roll call vote, all approved (with the exception of Randy Crozier, who was not present).
4. PAGE 5: RE427 – Ashley Central Irrigation Company - the board committed 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. NORMAN JOHNSON moved to approve, JIM LEMMON seconded, and after a roll call vote, all approved (with the exception of Randy Crozier, who was not present).
5. PAGE 5: RE434- Salem City - the board committed 72.8% of the project cost, up to \$1,530,000, and that the bonded indebtedness will be returned at 1% interest over 15 years, with annual payments of approximately \$119,000 (includes reserves. WAYNE ANDERSEN moved to approve the policy, NORMAN JOHNSON seconded, and after a roll call vote, all approved (with the exception of Randy Crozier, who was not present).
6. PAGE 6: RE436 - Muddy Creek Irrigation Company - the board committed 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. NORMAN JOHNSON moved to approve, VICE-CHAIR KYLE STEPHENS seconded, and after a roll call vote, all approved (with the exception of Randy Crozier, who was not present).

7. PAGE 6: RC064 - Sevier Valley Canal Company - the board committed 90% off 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. JIM LEMMON moved to, WAYNE ANDERSEN seconded, and after a roll call vote, all approved (with the exception of Randy Crozier, who was not present).
8. PAGE 6: RC065 – Whiterocks Irrigation Company - the board committed 90% of the project cost, up to \$324,000 as a dam safety grant. JULIETTE TENNERT moved to approve, CHARLES HOLMGREN seconded, and after a roll call vote, all approved (with the exception of Randy Crozier, who was not present).
9. PAGE 8: RE437 American Fork City - the board authorized and committed 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). WAYNE ANDERSEN moved to approve, NORMAN JOHNSON seconded, and after a roll call vote, all approved (with the exception of Randy Crozier, who was not present).
10. PAGE 8: RL585 Powder Mountain Water & Sewer Improvement District - the board reauthorized and committed 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). VICE-CHAIR KYLE STEPHENS moved to approve, JULIETTE TENNERT seconded, and after a roll call vote, all approved (with the exception of Randy Crozier, who was not present).
11. PAGE 9: RE395 – Burns Bench Irrigation Company - the board committed 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 as 0% interest over 20 years with annual payments of approximately \$10,600. VICE-CHAIR KYLE STEPHENS moved to approve, CHARLES HOLMGREN seconded, and after a roll call vote, all approved with the exception of Randy Crozier, who was not present).
12. PAGE 10: RE421 West Cache Irrigation Company - the board committed 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. CHARLES HOLMGREN moved to approve, NORMAN JOHNSON seconded, and after a roll call vote, all approved (with the exception of Randy Crozier, who was not present).
13. PAGE 14: VICE-CHAIR KYLE STEPHENS moved to adjourn the meeting, NORMAN JOHNSON seconded, and after a roll call vote, all approved with the exception of Randy Crozier, who was not present).

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
Todd Adams, Director
Candice Hasenyager, Deputy Director
Joel Williams, Assistant Director
Todd Stonely, Assistant Director
Shalaine Debernardi, Section Manager
Rachel Shilton, Section Manager
Randy Staker, Financial Analyst
Russell Hadley, Engineer
Tom Cox, Engineer
Jaqueline Pacheco, Engineer
Russell Barrus, Engineer
Ben Marett, Engineer
Marty Bushman, Attorney
Kim Wells, PIO
Carmen McDonald, Engineer Technician
Lindsay Russell, Executive Admin
Paul Leishman, President (Nibley Blacksmith Fork Irr. Co)
Steven Wood, Engineer (Sunrise Engineering)
David Lake, President (Peoa South Bench Cana & Irr. Co)
Brain Deeter, Engineer (J-U-B Engineers)
Wayne Simper, President (Ashley Central Irrigation Co)
Jonathan Ward, Finance (Zions Bank)
Morris Sorenson, President (Muddy Creek Irr. Co)
Jared Hansen, Engineer (Jones & DeMille Engineering)
Eric Major, Engineer
Tyson Murray, President (Whiterocks Irr. Co)
Brad Frost, Mayor (American Fork City)
David Bunker, City Administrator (American Fork City)
Anna Montoya, City Finance (American Fork City)
Scott Sensanbaugher, Public Works Director (American Fork City)
Carrie Zenger, Secretary (Powder Mt Water & Sewer Imp. District)
Brad Gilson, Engineer
Marcus Keller, Finance (Zions Bank)
Roy Watts, Manager (Powder Mt Water & Sewer Imp. District)
Brandon Johnson, Bonds Counsel (Powder Mt Water & Sewer Imp. District)
Monty Pratt, Director (Burns Bench Irr. Co)
Chris Thompson, Engineer (CIVCO Engineering)
Sid Munk, President (West Cache Irr. Co)

BOARD OF WATER RESOURCES
Virtual Meeting Minutes
Department of Natural Resources
August 6, 2020
1:00 pm

1. WELCOME AND APPROVAL OF MINUTES

CHAIR BLAINE IPSON called the meeting to order and read Executive Order 2020-5 from Governor Gary Herbert which stated: Due to the COVID-19 pandemic and the ability of the virus to spread from person to person, Governor Gary Herbert has implemented a number of Executive Orders directed at controlling spread of the virus by minimizing face-to-face interactions. Public gatherings are strongly discouraged by the CDC, State of Utah, and local health departments since they facilitate face-to-face contact and pose an elevated risk for virus transmission. The Division of Water Resources and the Board of Water Resources Chair have determined that public gathering at Board meetings presents a substantial risk to the health and safety of those who attend—and will conduct this meeting using a fully electronic format. This meeting format is authorized by a recent amendment to the Utah Code 1 and Executive Order by Governor Herbert 2 —and will be temporarily used in place of the in-person public meetings that usually occur. Anyone wishing to comment on the meeting’s agenda topics or to observe the meeting may do so by logging on to the Division’s webpage where instructions and links are provided

Chair Ipson did a roll call vote and all were present with the exception of Randy Crozier who was unable to attend.

DIRECTOR TODD ADAMS did a roll call vote for staff and other participants.

BLAINE IPSON called for a motion on the Board Minutes and asked for any public comments on the minutes. There were no additional comments from staff and RANDY STAKER announced there were no public comments.

CHARLES HOLMGREN moved to approve the minutes NORMAN JOHNSON seconded the motion, and after a roll call vote, all approved and the motion passed. (Randy Crozier was not present and was excused from voting).

2. FEASIBILITY REPORTS

RE440 Nibley Blacksmith Fork Irrigation Company

Paul Leishman (President) and Steven Wood (engineer from Sunrise Engineering)

RUSSELL HADLEY the company serves about 3100 acres of agricultural land and 181 homes with lawn and garden water. The water comes from the Blacksmith Fork River and is distributed along 20 miles of piping and open earthen ditches. The population of Nibley has grown and agricultural property has been developed into residential property. Of the previously mentioned 181 homes, 11 have been built below the canal and have the potential to be flooded. There are also concerns about garbage and debris getting into the canal. The diversion point at the Blacksmith Fork River has deteriorated and is becoming more difficult and dangerous to operate.

The benefits of the project would be that approximately 814 acre-feet of water would be saved each year and safety issues would be eliminated with a motorized gate system in the river. There would also be no trash or yard debris that would make its way into the pipeline system.

They are planning to pipe the 2200 feet section and replace the headworks at the diversion.

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. The interest rate is set at 0.15% because it is a weighted average between the agricultural portion being repaid at 0% interest and the lawn and garden being repaid at 1.97% interest.

The applicant is also requesting a waiver to outdoor water being used between the hours of 10 AM and 6 PM because the applicant sells water for lawn and garden use to the local HOA and they have no control over watering times allowed by the HOA. They also have no storage so the water must be used as it flows into the system.

PAUL LEISHMAN I would like to thank the Board and staff for the work they have done on this project. There have been very little updates since the company began and we are trying to continue working with the HOA and the agricultural producers to provide water but this is difficult with the water mandate. We are concerned for those homes that are built below the canal. We also want to be able to utilize the water efficiently and by improving the system, we would be able to do so. Another thing I would like to mention is the possibility of extending the 15 year payment plan. The profit margins of the AG users are not as high.

CHAIR IPSON Russell, do you have those numbers for a longer repayment period on hand?

RUSSELL HADLEY I do not have any other numbers because I had not heard that they were interested in a longer repayment period.

CHARLES HOLMGREN in the report we were given, there was a request to waive the requirement of residential landscapes to not irrigate between 10 AM and 6 PM. Are you still making that request?

PAUL LEISHMAN yes, we have multiple users on the same laterals in the system so we have some irrigators that are flood and some that are pump. It is difficult to regulate the water and give to the pumper in the evening and to the flood irrigator during the day. This would impact the flow of water across the flood irrigated fields because the flow is not strong enough to push it across the entire field. It is the goal to eventually put all the pump irrigation systems on their own separate system so we can comply with the requirement and not have it impact other users.

CHARLES HOLMGREN and you do not have storage capacity at this time correct?

PAUL LEISHMAN we do not and we have suggested the HOA build their own storage facility. It would be better to have that cost go to the HOA than the Irrigation Company.

CHARLES HOLMGREN what is your current cost per share or cost per acre? How will the current loan repayment at the proposed rate affect your assessment?

PAUL LEISHMAN we try to run this as a nonprofit and the only money we make is for projects like this. We keep our share prices really low. They are currently \$15 a share. With the impact of 2019, it would likely double that amount to users.

CHARLES does that work out to the per acre cost? In other canal companies in northern Utah, the cost per acre sits between \$25 and \$33.

PAUL LEISHMAN I have not run those numbers but I am happy to do so. What we usually require in our system is that if they have one acre, they have one share. If they are paying the amount per share, it is also per acre.

CHARLES and regarding your request to extend repayment, we have not had a chance to discuss this because we were not aware of it.

PAUL LEISHMAN I apologize for not bringing that up sooner.

RUSSELL HADLEY I just ran the numbers for 20 years. For 20 years, the annual payments would be \$22,500.

SHALAINE DEBERNARDI those were the approximate numbers I got as well.

STEVEN WOOD that 20 year loan repayment option would break it down to \$9.35 per share.

RUSSELL HADLEY with the original 15 year loan repayment with annual payments of \$29,900, the increase per share would be \$11.28.

PAUL LEISHMAN I would like to request the 20 year if that is acceptable to you. Those numbers are more doable for us. We will be re-writing out by laws and changing the rate we charge the homeowners and landscape users to a higher level.

VICE-CHAIR STEPHENS how big is the HOA and how many homes are impacted?

PAUL LEISHMAN right around 180.

VICE-CHAIR STEPHENS is that multiple HOA's or just one?

PAUL LEISHMAN that represents multiple HOA's and this will continue to grow. This is why I wanted to make the additional change to the shares so it is equal across the board.

NORMAN JOHNSON was the interest rate calculated blending the agriculture and HOA usage together?

RUSSELL HADLEY yes, it was average between 0% for the agricultural shares and 1.98% for the 181 lawn and garden shares for a weighted average of .15%.

CHAIR IPSON were there any public comments?

RANDY STAKER there were none.

CHARLES HOLMGREN I just want to make sure that I am doing the math properly, the 20 year repayment would reduce the annual payment assessment by approximately \$2 per share per year.

CHARLES HOLMGREN moved to approve the motion with the change to the 20 year repayment period with annual payments of approximately \$22,500 and grant the waiver request that the residential lawn and garden users be allowed to water between 10 AM and 6 PM. VICE-CHAIR STEPHENS seconded the motion and after a roll call vote, all approved (with the exception of Randy Crozier who was excused from the meeting), and the motion passed unanimously.

3. COMMITTAL OF FUNDS

RE417 Peoa South Bench Canal & Irrigation Company

David Lake (President) and Brian Deeter (J-U-B Engineers)

JAQUELINE PACHECO the project was authorized in January 2019 and is located in Oakley City in Summit County. The purpose of the project is to replace their current canal system with 14,850 feet of 24-inch PVC pipe and 4,900 feet of 32-inch HDPE pipe, construct a new fish-friendly screen structure, metering, and underwater micro-hydro turbine station that will produce 588 kWh of energy per year. They have received a \$1,000,000 WaterSMART grant and will be supplying \$246,000 of their own funding.

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.

DAVID LAKE I want to thank the Board and staff for helping so much on this. This project is for safety. One stretch of the canal runs through housing and one stretch runs along a highway so we have always had leaks but last year we had a breach. It caused major concerns to the people who live below. We have had a 48% water loss as well. This is a very important project for our community and we are thankful for all that has been done.

VICE-CHAIR STEPHENS I did not realize it had been as long as it has been since we were up there putting the project together. What has the status of the micro hydro energy portion of the project and have you been able to successfully negotiate sales?

BRIAN DEETER it is a very small hydro and the intent is to replace the solar or supplemental solar energy they have at the meter because there is not enough power to sell.

CHAIR IPSON are there any public comments to be noted?

RANDY STAKER there were no public comments on this project.

VICE-CHAIR STEPHENS moved to approve the project, JIM LEMMON seconded the motion, and after a roll call vote, all approved (with the exception of Randy Crozier who was excused from the meeting) and the motion passed unanimously.

RE427 Ashley Central Irrigation Company

Wayne Simper (president) and Brian Deeter (J-U-B Engineers)

JAQUELINE PACHECO this project was authorized in August of 2019 and is located partially in Vernal, Utah and partially in unincorporated Uintah County just outside the city limits. The purpose of the project is to pipe approximately 2.4 miles with HDPE pipe approximately 26-36 inches in diameter of canal within and near Vernal City to reduce seepage, increase conveyance efficiencies, and improve safety. They also have a WaterSMART grant for \$900,000 and they will use \$286,000 of their own funding.

Staff recommends that 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.

WAYNE SIMPER I would like to thank the Board and staff for their work on this project.

CHAIR IPSON were there any public comments received?

RANDY STAKER there were not.

NORMAN JOHNSON moved to approve the project, JIM LEMMON seconded the motion and after a roll call vote, all approved (with the exception of Randy Crozier who was excused from the meeting) and the motion passed unanimously.

RE434 Salem City

Jonathan Ward (Zions Bank Public Finance)

SHALAIN DEBERNARDI Marisa is unable to attend so I will present this project. The proposed project is located in Salem City service area in Utah County. The project includes the installation of about 1,900 secondary water meters.

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

CHAIR IPSON were there any public comments?

RANDY STAKER no, there were not.

WAYNE ANDERSEN moved to approve the project, NORMAN JOHNSON seconded the motion and after a roll call vote, all approved (with the exception of Randy Crozier who was excused from the meeting), and the motion passed unanimously.

DIRECTOR ADAMS that money that was just approved is part of the 1% of the funding set aside for secondary water meters. Thank you for approving that.

RE436 Muddy Creek Irrigation Company

Morris Sorenson (president) and Jared Hansen (Jones & DeMille Engineering)

JAQUELINE PACHECO this project was presented earlier this year and this is the 4th project that the Board has funded for this company. The purpose of the project is to enclose the existing irrigation system (about 7 miles total) in a pressurized pipe. This will lower the water table and reduce salt loading. They received a salinity control grant from the Bureau of Reclamation for \$4,583,000 or 82.1% of the project cost.

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.

MORRIS SORENSON thank you to the Board and staff for their work on the project.

JARED HANSEN we are thankful for this opportunity and hope to keep things going.

CHAIR IPSON were there any public comments on this item?

RANDY STAKER there were no public comments on this project.

NORMAN JOHNSON moved to approve the project, VICE-CHAIR STEPHENS seconded the motion and after a roll call vote, all approved (with the exception of Randy Crozier who was excused from the meeting), and the motion passed unanimously.

RC064 Sevier Valley Canal Company

TOM COX the Sevier Valley Canal Company owns and operates Three Creeks Dam and is located in Sevier County. The dam was constructed in the late 1800's and is 22 feet high, 620 feet long, and has a capacity of approximately 1,000 acre feet. If this dam failed, it would cause significant damage. The state minimum standard deficiencies include an undersized spillway capacity, uneven slope, and seepage issues. Recently it was also discovered that the dam's corrugated metal outlet pipe is corroded and leaking. The proposed project is to line the corrugated metal pipe (which is 30 inches in diameter) with 24 inch HDPE pipe and to construct a new intake structure with a gate.

Staff recommends the board commit 90% off 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.

CHAIR IPSON were there any public comments?

RANDY STAKER there were none.

JIM LEMMON moved to approve the project, WAYNE ANDERSEN seconded the motion and after a roll call vote, all approved (with the exception of Randy Crozier who was excused from the meeting) and the motion passed unanimously.

RC065 Whiterocks Irrigation Company

Eric Major (Engineer) and Tyson Murray (president)

BEN MARETT the Paradise Park Reservoir is owned and operated by Whiterocks Irrigation Company and is located on the south slope of the Uinta Mountains. It was constructed in 1924 and is 42 feet tall, 1,500 feet long, and has a capacity of approximately 4,000 acre feet of water. After an inspection from the State Engineer's office in 2019, it was determined that the dam could not operate at full capacity without immediate repairs. More work will be required in the future as funds become available. Staff recommends the board commit 90% of the project cost, up to \$324,000 as a dam safety grant.

CHAIR IPSON were there any public comments?

RANDY STAKER there were no public comments.

JULIETTE TENNERT moved to approve the project, CHARLES HOLMGREN seconded the motion and after a roll call vote, all approved (with the exception of Randy Crozier who was excused from the meeting) and the motion passed unanimously.

4. SPECIAL ITEMS

RE437 American Fork City

Mayor Frost (Mayor), David Bunker (City Administrator), Anna Montoya (City Finance Dept.), and Scott Sensanbaugher (Public Works Director)

JAQUELINE PACHECO the city provides culinary and secondary water to approximately 33,000 residents through approximately 8,651 residential connections. Several pipes on the main line are undersized and routinely cause outages due to breaks and leaks. There is currently a moratorium in effect because the city cannot supply additional water. The purpose of this 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.

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).

MAYOR FROST I am grateful to be here today and I am glad to see that everyone here is safe and sound. I really appreciate the continuity in the way the Division staff has worked with American Fork City staff. DIRECTOR ADAMS we are thankful for all the staff and we are thankful for the board and their dedication.

CHAIR IPSON are there any comments or questions from the Board?

VICE-CHAIR STEPHENS what type of comments or feedback have you received from the public hearing process? The affordability guidelines show that you can afford \$58.80 per month for water but the cost of this project take that amount up to \$65.59. Can you elaborate on that?

DAVID BUNKER we did receive public comments, most of which were centered on the cost of the project. We feel that we have adequate reserves in addition to the impact fees that we will be collecting. We think we can complete the project without raising water rates at this time.

VICE-CHAIR STEPHENS what were the overall feelings on moving forward with the project?

DAVID BUNKER American Fork is ready to move forward and it is actually critical because we would have to extend the moratorium which is restricting growth in a higher density area of the community. It is a more affordable housing area so it would affect 2,800 units that are waiting to be built.

JULIETTE TENNERT in looking at the data and the housing prices, that moratorium does cause issues with growth and I am pleased to be able to help support the city in this project for sustainable growth.

WAYNE ANDERSEN can we get an idea of what the water impact fee is?

ANNA MONTOKYA the impact fee varies by meter size but the ¾ size is currently \$2,500 per unit.

WAYNE ANDERSEN as large of a project as this is, there has been some concern about taking that much money out of the reserves but we have come to the conclusion that this is a really great project to move forward with.

CHAIR IPSON were there any public comments

RANDY STAKER no, there were no public comments

WAYNE ANDERSEN moved to approve the project, NORMAN JOHNSON seconded the motion and after a roll call vote, all approved (with the exception of Randy Crozier who was excused from the meeting) and the motion passed unanimously.

RL585 Powder Mountain Water & Sewer Improvement District

Carrie Zenger (secretary), Brad Gilson (Engineer), Marcus Keller (Zions Bank), Roy Watts (manager), and Brandon Johnson (bonds counsel for District)

BEN MARETT the project is located near the Powder Mountain Ski area north of Weber County. The applicant provides water to 140 residential and 64 commercial connections. Per the Division of Drinking Water, the applicant is required to have a minimum of 2 water sources and the applicant currently has no water sources other than the water provided to them from the well of a private developer. The proposed project is to redevelop Pizzle Springs by constructing and rehabilitating three booster pump stations, construct a 250,000 gallon water storage tank, and lay new pipe to connect the tank to the distribution network.

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).

ROY WATTS we are appreciative of Kyles Stephens and the staff at Water Resources for this critical project. We appreciate the consideration and funding for the people in the area to have a water source. We are ready to go and are looking forward to getting this project underway.

BRAD GILSON this water source is very critical to help us meet regulations from Drink Water and we appreciate the time and help with this.

VICE-CHAIR STEPHENS I am appreciative of Ben because this has been a very complicated process and he has stayed on target and kept all the moving parts organized. I wanted to point out that this will not be a project that will conserve water but it will provide a redundant water source for this applicant and that is required by the Division of Drinking Water.

CHARLES HOLMGREN are the water rights perfected and what are the status of them? It has been heavily protested when water has heavily protested in this area before.

ROY WATTS this particular source has been the source since its inception and the water rights have been perfected for this site. I did want to comment on Kyle's comment as well that our conservation is pretty strict and the district does not allow outside watering.

CHAIR IPSON were there any public comments

RANDY STAKER there were none.

VICE-CHAIR KYLE STEPHENS moved to approve the project, JULIETTE TENNERT seconded the motion and after a roll call vote, all approved (with the exception of Randy Crozier who was excused from the meeting) and the motion passed unanimously.

RE395 Burns Bench Irrigation Company

Monty Pratt (Director) and Chris Thompson (CIVCO Engineering)

JAQUELINE PACHECO the purpose of the project is to install a radial gate at the diversion structure and install 1,300 feet of 42-inch HDPE pipe and 1,700 feet of 24-inch HDPE pipe along the existing canal. They will also eliminate the earthen pond.

There has been an increase in material costs due to delays in the project so the applicant is requesting additional funding. They are asking the Board to fund an additional \$23,000

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 as 0% interest over 20 years with annual payments of approximately \$10,600.

MONTY PRATT some of the cost increases we experienced were due to the project being started almost 4 years ago and also, several design changes. The elimination of the pond required that we pipe up to what is called a sluice box by the diversion structure. We also needed to do some reclamation of the existing pond because it was on private ground and we needed to make that ground usable again for the farmer.

CHAIR IPSON were there any comments or questions from the Board?

VICE-CHAIR STEPHENS what is the water conservancy grant and where did that source of funding come from?

MONTY PRATT I am not sure where their money came from but it was a grant that was provided to the project for engineering related costs.

CHRIS THOMPSON yes, the water conservancy district has helped out with other projects previously.

MONTY PRATT those funds were not for water delivery but strictly for engineering costs.

VICE-CHAIR STEPHENS is that something we have seen happen before?

DIRECTOR ADAMS I have seen it before I believe.

CHARLES HOLMGREN The Bear River Water Conservancy District does contribute small amounts of money to smaller culinary water systems in the district.

VICE-CHAIR STEPHENS okay, that's good information. I just had not picked up on that previously.

CHAIR IPSON were there any public comments?

RANDY STAKER no public comments.

VICE-CHAIR STEPHENS moved to approve the additional funds, CHARLES HOLMGREN seconded the motion and after a roll call vote, all approved (with the exception of Randy Crozier who was excused from the meeting), and the motion passed unanimously.

RE421 West Cache Irrigation Company

Sid Munk (president) and Steven Wood (Sunrise Engineering)

RUSSELL HADLEY The purpose of the project is to replace 5.3 miles of the West Cache Irrigation Ditch with pressurized pipe, construct two pump stations (one in Cutler Reservoir), and install four flow meters and other appurtenances. The bids came in significantly higher than anticipated. The project was bid with materials and labor being separate bids and when it came to the materials, the bids were within a couple of thousand dollars of the anticipated amount. Regarding the labor, the cost was much higher. The two lowest bidders are very busy with work and there were some miscellaneous items that

drove the cost up higher (approximately \$30,000). The total project cost came in \$759,000 higher than originally estimated. They have since received a \$200,000 grant from the Utah Department of Agriculture and are asking the Board for 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.

STEVEN WOOD COVID has increased expenses across the board so we appreciate some more assistance on this.

SID MUNK the bids were neck and neck so we don't feel like there is anything else we can do with that and the concrete structures are unique in that there is a new technology with the screening device.

Russell and the staff have been wonderful to work with. There have been some concerns with the cost being so much higher but this opportunity to get some more funding has been very helpful.

CHAIR IPSON do any of the Board members have any questions?

CHARLES HOLMGREN is this what is referred to as the Newton Branch or Newton Lateral?

SID MUNK yes.

CHAIR IPSON were there any public comments?

RANDY STAKER no, there were no public comments.

CHARLES HOLMGREN moved to approve the project, NORMAN JOHNSON seconded the motion and after a roll call vote, all approved (with the exception of Randy Crozier who was excused from the meeting) and the motion passed unanimously.

RE401 West Porterville Irrigation Company

This agenda item has been requested to be taken off the agenda and we will revisit this at another meeting.

WAYNE ANDERSEN I would like to excuse myself from the rest of the meeting.

CHAIR IPSON thank you for your attendance and input and enjoy the time with your family.

5. PLANNING REPORT

RACHEL SHILTON Mr. Chairman, Members of the Board, Good afternoon.

I am Rachel Shilton, Manager for the River Basin Planning Section. Thank you for carving out some time at this Board meeting for a status update on the State Water Plan. The working schedule for the State Water Plan will be included in the meeting minutes for reference.

State Water Plan Public Comment Schedules

Activity	start date (8:00 AM)	due date (5:00 PM)
Revise Chapters with 2018 results	Wednesday, July 29, 2020	Thursday, August 6, 2020
Internal Group Review	Monday, August 10, 2020	Friday, August 14, 2020
Layout by Marcie and Team	Monday, August 17, 2020	Monday, August 31, 2020
Internal Review	Tuesday, September 1, 2020	Tuesday, September 8, 2020
Partner Review	Friday, September 11, 2020	Friday, September 25, 2020
Revised Draft	Monday, September 28, 2020	Friday, October 9, 2020
Open Public Comment	Monday, October 12, 2020	Friday, November 27, 2020
Virtual Open House 1	Tuesday, October 20, 2020	Tuesday, October 20, 2020
Virtual Open House 2	Wednesday, October 28, 2020	Wednesday, October 28, 2020
Virtual Open House 3	Thursday, November 5, 2020	Thursday, November 5, 2020
Virtual Open House 4	Thursday, November 12, 2020	Thursday, November 12, 2020
Virtual Open House 5	Wednesday, November 18, 2020	Wednesday, November 18, 2020
Virtual Open House 6	Tuesday, November 24, 2020	Tuesday, November 24, 2020
End Public Comment	Friday, November 27, 2020	Friday, November 27, 2020
Incorporate comments	Monday, November 30, 2020	Monday, December 14, 2020
Post finalized document	Tuesday, December 15, 2020	Tuesday, December 15, 2020
Publish/announce finalized document	Wednesday, December 16, 2020	Wednesday, December 16, 2020
Publish hard copies	Tuesday, December 15, 2020	Friday, January 22, 2021

This State Water Plan is the first generation of interactive State Water Plans. If viewed on-line, hyper-links to additional information will be live. If the reader is using a printed copy of the plan, the resource section includes a list of website addresses that can be entered manually to access additional information.

The State Water Plan includes high-level, state-wide data that is gathered and compiled by the Division. It doesn't summarize data that is created or published by other agencies. However, it does provide links to the original data sources that are referenced in the plan.

The plan reports on Division work such as water budget and demand models results. It includes links to the Division's Open Data Portal to access land use data and the most current municipal water use data. It identifies actions that will be taken by the Division in the next five years to accomplish water related goals.

We've been working on this plan for more than a year and are happy to be nearing completion.

In late July

Changes were recommended to clarify water supply and demand projections developed by the Division. We are currently in the process of incorporating some of those recommendations.

Division leadership has reviewed all of the completed chapters and are just waiting for the last chapter, which was completed before this meeting.

In the coming week

The final revised chapter review will be completed by Division leadership and comments will be incorporated into the draft plan.

By the end of this month

Layout of the plan will be completed

Around Labor Day

The plan will be provided to Department leadership, plan contributors, and you board members for internal review. We will appreciate comments back as soon as possible. We will accept comments from internal reviewers through the end of the day on Friday, September 25.

Late September

Comments received by September 25 will be considered by staff and incorporated into the plan, as appropriate, prior to opening the public comment period.

October 12 – November 27

The plan will be published for public comment. The Division will host 6 virtual open houses, one per week, during the public comment period.

Mid December

State Water Plan will be published electronically and posted on the Division's website.

Late January 2021

Hard copies will be printed and made available, upon request.

This completes my staff report on the State Water Plan status and schedule. Do you have any questions for me?

CHAIR IPSON I just want to clarify that you will provide a copy to the Board on September 25, expect comments back on September 30, and will go public by October 12? There does not seem time to incorporate any comments should we have any.

RACHEL SHILTON allow me to clarify, we will provide the draft report to the Board around Labor Day. We would like to have comments back by September 25. We then have about 2 weeks to incorporate those comments.

CHAIR IPSON were there any public comments?

RANDY STAKER no, there were no comments.

6. LAKE POWELL PIPELINE PROJECT

JOEL WILLIAMS the Bureau of Reclamation has released the draft Environmental Impact Statement (EIS) for public comment through September 8. Fish and Wildlife is preparing the release of the biological opinion that would cover the impacts to plants and wildlife. It should be released later this month. There have been quite a few news stories released regarding the project and we have done some interviews as well. If there are any questions, please reach out to us. The Water Rights Change Application has been filed and we are waiting to hear when that hearing will be held. When we find out, we will let you know. Stantec contract Amendment 9 expires at the end of this year, so we will come to the Board with a proposed amendment to update the contract. We are anticipating that we have enough funds to finish the project at this time. We just want to ensure that we have our consultant on hand and we will likely have lawsuits so we want them to be around to offer guidance when those happen. We are just waiting for that public comment period to end and preparing for the final EIS that will be released later this year.

CHAIR IPSON were there any public comments?

RANDY STAKER there were none.

7. BEAR RIVER DEVELOPMENT REPORT

DIRECTOR ADAMS we have one property purchased and working on several others for the potential right of way up in the northern Willard area.

SHALAINE there will be more presented by Marisa at the next meeting.

CHAIR IPSON were there any public comments?

RANDY STAKER there were none.

8. DIRECTORS REPORT

DIRECTOR ADAMS Climate is hot and dry with a lot of fires. The reservoir storage is not what it once was and in areas like the Lower Sevier, the level is quite low. Soil moisture is down and the precipitation in July was about 40% from average. We have staff that are working on a lot of different projects and topics. They are doing amazing things and producing excellent work. We approved just over \$30 million in projects today and we are fortunate to be able to do that. Thank you to the Board.

9. Adjournment

CHAIR IPSON I am also grateful for the work that is being done and thanked staff for their work. Our next meeting will be October 8 which will also be virtual. More details on that at a later time. Water is the lifeblood of the state and we are thankful for the resources we have to further develop this precious resource.

VICE-CHAIR STEPHENS moved to close the meeting, NORMAN JOHNSON seconded the motion and after a roll call vote, all members approved (with the exception of Randy Crozier and Wayne Andersen who are excused from this portion of the meeting) and the motion passed unanimously.

