Agenda
Utah Board of Water Resources
Board Briefing Meeting
June 17, 2021
10:00 am

I. WELCOME/CHAIR’S REPORT
   *Chair Blaine Ipson

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

III. INFORMATION TO THE BOARD

IV. OTHER ITEMS TO DISCUSS

“Our Mission is to Plan, Conserve, Develop, and Protect Utah’s Water Resources”
Agenda
Utah Board of Water Resources
Board Meeting
June 17, 2021
10:00 AM Briefing
1:00 PM Board Meeting
George S. and Dolores Doré Eccles Wildlife Education Center
1157 South Waterfowl Way, Farmington, UT 84025
Link to presentations and public comment form: https://water.utah.gov/comments/
Livestream Links:
Briefing Meeting: https://youtu.be/FrsSgsQvDtQ
Board Meeting: https://youtu.be/T6af1_xSOsk

APPROVAL OF MINUTES

DROUGHT UPDATE:
Candice Hasenyager

<table>
<thead>
<tr>
<th>Proj. No.</th>
<th>Applicant</th>
<th>County</th>
<th>Proj. Manager</th>
</tr>
</thead>
<tbody>
<tr>
<td>RE438</td>
<td>Midway Irrigation Company</td>
<td>Wasatch</td>
<td>Marisa Egbert</td>
</tr>
<tr>
<td>RE446</td>
<td>Provo River Water Users Association</td>
<td>Utah</td>
<td>Tom Cox</td>
</tr>
</tbody>
</table>

FEASIBILITY REPORTS:

<table>
<thead>
<tr>
<th>Proj. No.</th>
<th>Applicant</th>
<th>County</th>
<th>Proj. Manager</th>
</tr>
</thead>
<tbody>
<tr>
<td>RE447</td>
<td>Draper Irrigation Co - Auth &amp; COF</td>
<td>Salt Lake</td>
<td>Russell Hadley</td>
</tr>
</tbody>
</table>

SPECIAL ITEMS:

<table>
<thead>
<tr>
<th>Proj. No.</th>
<th>Applicant</th>
<th>County</th>
<th>Proj. Manager</th>
</tr>
</thead>
<tbody>
<tr>
<td>RE208</td>
<td>South Weber Irr Co - Modify Terms</td>
<td>Weber</td>
<td>Marisa Egbert</td>
</tr>
<tr>
<td>RE447</td>
<td>Draper Irrigation Co - Auth &amp; COF</td>
<td>Salt Lake</td>
<td>Russell Hadley</td>
</tr>
</tbody>
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NEW APPLICATIONS:

<table>
<thead>
<tr>
<th>Proj. No.</th>
<th>Applicant</th>
<th>County</th>
<th>Proj. Manager</th>
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<tbody>
<tr>
<td>RL588</td>
<td>Herriman City</td>
<td>Salt Lake</td>
<td>Ben Marett</td>
</tr>
<tr>
<td>RE448</td>
<td>Centerfield City</td>
<td>Sanpete</td>
<td>Jaqueline Pacheco</td>
</tr>
<tr>
<td>RE449</td>
<td>Center Creek Water System</td>
<td>Wasatch</td>
<td>Marisa Egbert</td>
</tr>
</tbody>
</table>

LAKE POWELL PIPELINE REPORT:
Joel Williams

WATER BANKING REPORT:
Update - Emily Lewis, Clyde Snow & Sessions (Consultant)

DIRECTOR’S REPORT:

ADJOURNMENT
Applicant: Midway Irrigation Company

Project Number: RE438  
Fund: Conservation and Development Fund  
Cost Estimate: $1,095,000

Application Received: 4/10/2020  
Board Meeting Date: 6/17/2021

Board Member: Wayne Andersen  
Project Manager: Marisa Egbert

Project Summary: The project includes the installation of 750 secondary meters, along with the required software, throughout the company's service area.

Recommendation: Staff recommends the board authorize 44.8% of the project cost, up to $490,000, and that the project be purchased at 1% interest over 15 years with annual payments of approximately $35,400.

Project Contacts:

President: Steve Farrell  
Secretary: Mike Kohler  
Engineer: Brandon Nielsen, PE
PO Box 404  
PO Box 404  
JUB Engineers
Midway, UT 84049-0404  
Midway, UT 84049-0404  
466 N 900 W
801-541-2974  
801-420-6158  
Kaysville, UT 84037  
801-547-0393
Location
The proposed project is located in and around Midway in Wasatch County.

Introduction & Background
Midway Irrigation Company supplies secondary water to about 1,120 non-agricultural connections. About 1,000 are residential and the remaining 120 are commercial or institutional. There are 3,499 shares in the company. Midway City has 1,200 shares and two golf courses have 600 shares. They also provide 50 acre-feet to the Solitude ski resort for snowmaking. The remaining shares are for agriculture connections. The entire system is pressurized.

The majority of the water supply comes from the Provo River. They also receive water from two springs (10 cfs), canyon runoff (14 cfs), and two leases. The leases are with Central Utah Water Conservancy District (800 acre-feet) and the Jordanelle Special Service District (1,200 acre-feet). The company also has two storage ponds; Dutch Field (about 60 acre-feet) and Snake Creek (about 20 acre-feet).

Existing Conditions & Problems
The company currently has a pressurized residential secondary irrigation system for both residential and agricultural connections. Due to the known reduction in water use when residential meters are installed, the company wants to install meters on all of the secondary residential connections. Additionally, there have been conflicts between the agricultural and residential users concerning water use. The company expects that the residential metering will reduce those conflicts.

Three years ago, an ordinance was passed that new development must install secondary pipes and meters. About 200 meters have been installed, mostly by developers.

Proposed Project
The company wants to install about 750 meters on the remaining residential secondary connections.

Benefits
The project is expected to reduce residential outdoor water use. It is also expected to reduce conflicts between the agricultural and residential users. Educational resources and information concerning water conservation will be provided with the company's billing statements.
Cost Estimate
The following cost estimate is based on the engineer’s preliminary design and has been reviewed by staff:

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Quantity</th>
<th>Unit</th>
<th>Unit Price</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Meter Installation</td>
<td>750</td>
<td>EA</td>
<td>$500.00</td>
<td>$375,000</td>
</tr>
<tr>
<td>2</td>
<td>Meters</td>
<td>750</td>
<td>EA</td>
<td>$800.00</td>
<td>600,000</td>
</tr>
<tr>
<td>3</td>
<td>Meter Reading Hardware</td>
<td>1</td>
<td>LS</td>
<td>$10,000.00</td>
<td>10,000</td>
</tr>
<tr>
<td>4</td>
<td>Meter Software and Computer</td>
<td>1</td>
<td>LS</td>
<td>$20,000.00</td>
<td>20,000</td>
</tr>
</tbody>
</table>

Construction Cost $1,005,000
Contingency $50,000
Design & Construction Engineering $20,000
Legal and Administrative $15,000
Environmental Compliance $5,000
TOTAL $1,095,000

Cost Sharing & Repayment
The recommended cost sharing and repayment are:

<table>
<thead>
<tr>
<th>Agency</th>
<th>Cost Sharing</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of Water Resources</td>
<td>$490,000</td>
<td>44.8%</td>
</tr>
<tr>
<td>WaterSMART WEEG</td>
<td>517,750</td>
<td>47.2%</td>
</tr>
<tr>
<td>Applicant</td>
<td>87,250</td>
<td>8.0%</td>
</tr>
</tbody>
</table>

TOTAL $1,095,000 100.0%

The company has received a WaterSMART Water and Energy Efficiency Grant (WEEG) from the US Bureau of Reclamation.

Staff recommends the board authorize 44.8% of the project cost, up to $490,000, and that the project be purchased at 1% interest over 15 years with annual payments of approximately $35,400.

Economic Feasibility
A benefit/cost analysis would typically compare the cost of the proposed project to the cost of the alternative were the project not built. Municipalities and Water Districts that have installed secondary meters have realized a decrease in residential outdoor usage by as much as 30-40%, thus delaying the need for additional water development. It is in the best interests of the state for secondary connections to be metered. Therefore, the benefit/cost ratio for the metering project is assumed to be 1.0.
Financial Feasibility

The 2019 Median Adjusted Gross Income (MAGI) for Midway City is $72,100. To determine the affordability for residential customers, the Board of Water Resources’ Affordability Guideline is 1.4% of the MAGI. For Midway City, the affordability for the monthly cost of water is $84.12. The following table indicates the current cost of water for the city’s residents. With the proposed funding, Midway Irrigation Company will stay below the Board’s Affordability Guideline.

<table>
<thead>
<tr>
<th>Water Cost</th>
<th>Annual Cost</th>
<th>Cost/Conn/Mo</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Water Bill</td>
<td>-</td>
<td>$28.00</td>
</tr>
<tr>
<td>Average Secondary Water Bill or Assessment</td>
<td>-</td>
<td>12.83</td>
</tr>
<tr>
<td>Property Tax for Water (CUWCD – 2020)</td>
<td>-</td>
<td>10.95</td>
</tr>
<tr>
<td>Increased Operation and Maintenance (O&amp;M) Costs</td>
<td>$500</td>
<td>0.04</td>
</tr>
<tr>
<td>Proposed Board of Water Resources Funding</td>
<td>$35,400</td>
<td>2.63</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>-</td>
<td><strong>$54.45</strong></td>
</tr>
</tbody>
</table>

Water Rights & Supply

The following list of water rights was provided with the application for financial assistance and is provided here for reference:

<table>
<thead>
<tr>
<th>Water Right Number</th>
<th>Flow / Volume (cfs / ac-ft)</th>
</tr>
</thead>
<tbody>
<tr>
<td>55-1509</td>
<td>2.260</td>
</tr>
<tr>
<td>55-2569</td>
<td>39.310</td>
</tr>
<tr>
<td>55-2570</td>
<td>17.750</td>
</tr>
<tr>
<td>55-2571</td>
<td>5.500</td>
</tr>
<tr>
<td>55-9395</td>
<td>5.000 cfs/900 ac-ft</td>
</tr>
<tr>
<td>55-11203</td>
<td>5.500</td>
</tr>
<tr>
<td>55-11204</td>
<td>45.320</td>
</tr>
<tr>
<td>55-11205</td>
<td>2.500</td>
</tr>
<tr>
<td>55-11297</td>
<td>12.170</td>
</tr>
<tr>
<td>55-11302</td>
<td>20.000</td>
</tr>
<tr>
<td>55-11381</td>
<td>29.160</td>
</tr>
<tr>
<td>55-11506</td>
<td>3.100</td>
</tr>
<tr>
<td>55-11507</td>
<td>1.550</td>
</tr>
</tbody>
</table>

Easements

It is anticipated that the meters will be installed within the company’s existing easements.

Environmental

The company will be required to complete an Environmental Compliance study in conjunction with the WaterSMART Grant provided by the US Bureau of Reclamation.
Water Conservation
It is estimated that about 300 acre-feet of water will be saved from the installation of the meters. Educational resources and information concerning water conservation will be provided with the company’s billing statements.

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

1. Obtain all easements, rights-of-way, and permits required to construct, operate, and maintain the project.
2. Pass a resolution by the appropriate majority (as defined in the company’s Articles of Incorporation and Bylaws) authorizing its officers to do the following:
   a. Assign properties, easements, and water rights required for the project to the Board of Water Resources.
   b. Enter into a contract with the Board of Water Resources for construction of the project and subsequent purchase from the board.
3. Have an attorney give the Board of Water Resources a written legal opinion that:
   a. The company is legally incorporated for at least the term of the purchase contract and is in good standing with the state Department of Commerce.
   b. The company has legally passed the above resolution in accordance with the requirements of state law and the company’s Articles of Incorporation and Bylaws.
   c. The company has obtained all permits required for the project.
   d. The company owns all easements and rights-of-way for the project, as well as the land on which the project is located, and that title to these easements, rights-of-way, and the project itself can be legally transferred to the Board.
   e. The company’s water rights applicable to the project are unencumbered and legally transferable to the Board of Water Resources, and that they cover the land to be irrigated by the project.
   f. The company is in compliance with sections 73-10-33, 10-9a-211, and 17-27a-211 of the Utah Code governing management plans for water conveyance facilities.
4. Submit or update a Water Conservation Plan for its service area, and obtain approval of it from the Division of Water Resources.
5. Obtain approval of final plans and specifications from the Division of Water Resources.
6. Obtain letters from all outside financing agencies establishing their commitment of funds to the project.
7. Adopt a rule prohibiting its users from irrigating landscapes between the hours of 10:00 a.m. and 6:00 p.m.

If the board provides funds for the project, the applicant will also be required to either provide educational resources about efficient landscape watering on the billing statement, or bill all metered connections based on a tiered conservation rate structure. The applicant must also report water use data gathered through the new metered connections annually to the Utah Division of Water Rights.
Labels indicate the number of meters to be installed within the given service area zone. Total number of meters to be installed is 750.

Service Area Zones
- Devils Hole, 15
- Epperson, 75
- Epperson pmp, 23
- HSGCpond, 34
- Lower West Bench, 101
- Middle Ditch, 139
- River Ditch, 116
- Slew Ditch, 4
- Upper West Bench, 243
Applicant: Provo River Water Users Association

Project Number: RE446
Fund: Conservation and Development Fund
Cost Estimate: $60,000,000

Application Received: 2/26/2021
Board Meeting Date: 6/17/2021

Board Member: Wayne Andersen
Project Manager: Tom Cox

Project Summary: The purpose of the project is to replace the Deer Creek Dam intake structure and rehabilitate the existing guard gates or install new gates without draining the reservoir. The project also includes measures to address a potential quagga mussel infestation and maintain or improve the quality of water delivered from the reservoir.

Recommendation: Staff recommends the board authorize 71.3% of the project cost, up to $42,800,000, and that the bonded indebtedness be returned at 1% interest over 30 years with annual payments of approximately $1,078,000 the first five years and about $1,878,000 the remaining 25 years (including reserves).

Project Contacts:
President: Tom Godfrey
Manager: G. Keith Denos
Engineer: Deon Stockert, AE2S
Tom Godfrey
285 West 1100 North
Pleasant Grove, UT 84062
801-484-7556
G. Keith Denos
285 West 1100 North
Pleasant Grove, UT 84062
801-372-2866
Deon Stockert, AE2S
3400 N. Ashton Blvd, Ste. 105,
Lehi, Ut 84043
701-690-3693
Location
The proposed project is located about 10 miles southwest of Heber City in Wasatch County.

Introduction & Background
The Provo River Water Users Association was formed in 1935 to manage Bureau of Reclamation’s Provo River Project. The project includes the Duchesne Tunnel, Weber-Provo Canal, Provo River Diking System, Deer Creek Dam and Reservoir, Murdock Diversion, Provo Reservoir Aqueduct and Jordan Narrows Pumping Station. Water is obtained from the Duchesne, Weber and Provo Rivers. A five-year average of about 88,000 acre-feet has been delivered, wholesale, to numerous municipalities, water districts and irrigation companies in Summit, Wasatch, Utah and Salt Lake Counties. The applicant estimates 70% of its water is utilized as M&I and 30% in agriculture. Hydroelectric power is also generated by water passing through Deer Creek Dam.

In 2009, the board provided over $26 million to the association for a project to enclose the 21 mile-long Provo Reservoir Canal. The applicant had made their required payments and recently paid off the balance after refinancing existing debt on the open market for a more favorable interest rate.

Existing Conditions & Problems
Deer Creek Dam was completed in 1941 with a storage capacity of approximately 153,000 acre-feet. It is estimated that half of all Utahns use water that flows through the dam. After 80 years of use, the intake and control gates are aging and need refurbishment or replacement. There is no way to shut off the water at the intake structure; therefore, the outlet pipe between the intake and gate valves has never been inspected in the dry. Several years ago, quagga mussel DNA was found in the reservoir although no mussels were found. Potential infestation is a concern that needs to be addressed.

Proposed Project
The proposed project will include replacing the intake structure and rehabilitating the existing guard gates or installing new ones downstream, as well as adding measures to address quagga mussels. The new intake structure will allow for multiple level intake for water quality purposes and the ability to shut off flow. Different options for gate valve improvement are being investigated. Work will be accomplished in a way that will eliminate the need to drain the reservoir and will limit the time water deliveries through the outlet will need to be shut off. Construction is anticipated to begin in 2022 and may take up to three years to complete, although procurement of the valves may occur this fall. It is essential to maintain water deliveries; therefore, construction timing and bypass pumping options are crucial.

Because of the unique nature of the project, it is being designed and built using the Construction Manager/General Contractor (CM/GC) method in which the contractor works with the designer throughout the entire process. Both the designer (Advanced Engineering and Environmental Services (AE2S) of Lehi) and contractor (Granite Construction) were chosen through a competitive selection process.

Benefits
The proposed project will allow Deer Creek Reservoir to be safely operated for years to come. The multi-level inlet structure will enable the operator to manage the temperature, dissolved oxygen...
level and quality of the released water. The structure benefits municipal and industrial water treatment and the betterment of aquatic species habitat in the Provo River. The proposed inlet will also have the ability to be closed, enabling the 12-foot outlet tunnel downstream to be inspected in the dry. Including measures to address quagga mussels will help keep that invasive species from establishing itself in the dam’s facilities.

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

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Quantity</th>
<th>Unit</th>
<th>Unit Price</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Mobilization</td>
<td>1</td>
<td>LS</td>
<td>$5,000,000</td>
<td>$5,000,000</td>
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<tr>
<td>2</td>
<td>Foundation</td>
<td>1</td>
<td>LS</td>
<td>4,800,000</td>
<td>4,800,000</td>
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<td>3</td>
<td>Structures</td>
<td>1</td>
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<td>11,500,000</td>
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<td>4</td>
<td>Cut and Cover Connection</td>
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<td>LS</td>
<td>6,700,000</td>
<td>6,700,000</td>
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<tr>
<td>5</td>
<td>Electrical</td>
<td>1</td>
<td>LS</td>
<td>600,000</td>
<td>600,000</td>
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<tr>
<td>6</td>
<td>Restoration</td>
<td>1</td>
<td>LS</td>
<td>400,000</td>
<td>400,000</td>
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<tr>
<td>7</td>
<td>Underwater Construction</td>
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<td>LS</td>
<td>3,100,000</td>
<td>3,100,000</td>
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<tr>
<td>8</td>
<td>Guard Gates</td>
<td>1</td>
<td>LS</td>
<td>8,300,000</td>
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<table>
<thead>
<tr>
<th></th>
<th><strong>Construction Cost</strong> $40,400,000</th>
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<tr>
<td>Contingency</td>
<td>4,700,000</td>
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<tr>
<td>Design &amp; Construction Engineering</td>
<td>14,000,000</td>
</tr>
<tr>
<td>Legal and Administrative</td>
<td>900,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$60,000,000</strong></td>
</tr>
</tbody>
</table>

Cost Sharing & Repayment
The recommended cost sharing and repayment are:

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<thead>
<tr>
<th>Agency</th>
<th>Cost Sharing</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of Water Resources</td>
<td>$42,800,000</td>
<td>71.3%</td>
</tr>
<tr>
<td>Central Utah WCD</td>
<td>10,200,000</td>
<td>17.0</td>
</tr>
<tr>
<td>Applicant</td>
<td>7,000,000</td>
<td>11.7</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$60,000,000</strong></td>
<td>100%</td>
</tr>
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</table>

Central Utah Water Conservancy District, through the Deer Creek Reservoir/Jordanelle Reservoir operating agreement, is obligated to provide part of the cost to maintain Deer Creek Dam. The applicant is also looking into other federal and state funding sources.

Staff recommends the board authorize 71.3% of the project cost, up to $42,800,000, and that the bonded indebtedness be returned at 1% interest over 30 years with annual payments of approximately $1,078,000 the first five years and about $1,878,000 the remaining 25 years (including reserves).
Annual payments increase $800,000 after an association debt is paid off in 2030.

**Economic Feasibility**
There is no viable option to the proposed project; therefore, a benefit/cost ratio of 1.0 has been assigned.

**Financial Feasibility**
With the wide-ranging entities located in Utah and Salt Lake counties that receive water from the association, and insignificant monetary benefit from the project, it is impossible to calculate a repayment based on the board’s traditional affordability guidelines. Typically, when a project has little monetary benefit, a lower interest rate and an extended repayment period is warranted.

The most recent assessment to the association’s 100,000 shares was $28.61 which included amounts for operation and maintenance, and capital improvements. The proposed annual payment would equal an increase of approximately $10.78 per share.

Annual increases are anticipated in order to cover the new financing as well as costs of O&M and future projects. Shareholders tied to the Provo River Aqueduct pay an additional assessment to pay for the refinanced bond on that project.

**Water Rights & Supply**
Water for the Provo River Project is primarily obtained from the Duchesne, Weber and Provo rivers. Water rights are in the name of the Bureau of Reclamation and include the following:

<table>
<thead>
<tr>
<th>Water Right Number</th>
<th>Source</th>
<th>Flow / Volume (cfs / af)</th>
</tr>
</thead>
<tbody>
<tr>
<td>55-262</td>
<td>Provo River</td>
<td>17,410 af</td>
</tr>
<tr>
<td>55-295</td>
<td>Provo River</td>
<td>100,000 af</td>
</tr>
<tr>
<td>55-7060</td>
<td>Provo River</td>
<td>7.9 cfs/2,900 af</td>
</tr>
<tr>
<td>55-7061</td>
<td>Provo River</td>
<td>1.43 cfs/500 af</td>
</tr>
<tr>
<td>35-8737</td>
<td>Weber River</td>
<td>1,000 cfs/136,500 af</td>
</tr>
<tr>
<td>35-8756</td>
<td>Weber River</td>
<td>1,000 cfs/37,200 af</td>
</tr>
<tr>
<td>43-341</td>
<td>Duchesne River</td>
<td>550 cfs/49,500 af</td>
</tr>
<tr>
<td>43-343</td>
<td>Duchesne River</td>
<td>50 cfs</td>
</tr>
<tr>
<td>43-344</td>
<td>Duchesne River</td>
<td>21 cfs</td>
</tr>
</tbody>
</table>

**Easements**
No new easements are required for the proposed project.

**Environmental**
The proposed project will replace existing infrastructure, therefore, no long-term environmental impacts are foreseen. The project will allow the association to better manage the temperature and
dissolved oxygen of the water released into the Provo River to the benefit of aquatic species, and provide for the treatment of invasive quagga mussels.

**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.
Applicant: South Weber Irrigation Company

Project Number: RE208
Fund: Conservation and Development Fund
Total Cost: $1,763,918.41

Received: 9/7/2006
Approved: 10/27/2006
Authorized: 4/20/2007
Committed: 8/10/2007
Recommitted: 12/14/2007
Amended: 8/15/2008
Amended: 8/8/2013
Board Meeting Date: 6/17/2021

Board Member: Kyle Stephens
Project Manager: Marisa Egbert

Summary: The purpose of the project was to install a pressurized secondary system throughout the service area. The applicant is requesting a modification of their existing repayment terms.

Recommendation: Staff recommends that the Board amend the Purchase Agreement to state that the principal balance will be returned at 2.03% over 29 years with annual payments of approximately $49,300.

Project Contacts:

President: Blair T. Halverson
6715 South 475 East
South Weber, UT 84049
801-381-4093

Secretary: Teri Halverson
6715 South 475 East
South Weber, UT 84405
801-920-7814
Location
The proposed project is located within South Weber City limits in Davis County.

Project Summary
The board provided funds for this project in 2007, and additional funds to complete the project later; and the repayment schedule was calculated using increasing payments. As the payments increase, the applicant is concerned about being able to make their payments. The repayments increase annually by 1.9%. The current repayment schedule would require a payment of $47,000 in 2021, increasing every year to a maximum payment of $78,200.

Between continued growth, a recent expensive repair, and the pending need to install secondary meters, the applicant is asking the Board to consider the following options: forgive all or part of the remaining balance, reduce the interest rate, and/or change the repayment to be a fixed annual amount.

The current interest rate is 2.5%. There are 29 years remaining on the repayment schedule. The company has made all of their payments as required, and the remaining principal balance is $1,072,006.

The company anticipates that most of the remaining agricultural acreage will be converted to M&I use (residential, institutional, etc.). As such, staff recommends that the interest rate reflect that the majority of the water use will be for M&I purposes.

Modification of Terms
Staff recommends that the board amend the Purchase Agreement to state that the principal balance will be returned at 2.03% interest over 29 years with annual payments of approximately $49,300.
Applicant: Draper Irrigation Company

Project Number: RE447
Fund: Conservation and Development Fund
Cost Estimate: $1,650,000

Application Received: 4/8/2021
Board Meeting Date: 6/17/2021

Board Member: Juliette Tennert
Project Manager: Russell Hadley

Project Summary: The purpose of the project is to install about 4,800 feet of 6-inch pipeline and 73 secondary water meter boxes.

Recommendation: Staff recommends the board authorize the project and commit 85% of the project cost up to $1,402,500, and that the project be purchased at 1% interest over 25 years with annual payments of approximately $63,700.

Project Contacts:

President: Ryan Daw
Secretary: Dale Smith
Engineer: Jon Oldham
12421 S. 800 E. 14241 S. 800 E. 154 E 14076 S
Draper, UT 84020 Draper, UT 84020 Draper, UT 84020
801-916-9111 801-641-8988 801-495-2224
Location
The proposed project is located in Draper City in Salt Lake County.

Introduction & Background
Draper Irrigation Company serves water to approximately 7,250 culinary and about 3,175 secondary irrigation connections in Draper City and nearby surrounding areas. Water is obtained from runoff and springs in Corner Canyon and other nearby drainages. This water is used primarily to supply the culinary water connections and any excess is diverted into the secondary irrigation system. When runoff diminishes, water for the irrigation system is obtained from Utah Lake and the Jordan River via the East Jordan Canal, and is pumped from the canal into a regulation pond that feeds the system.

The applicant has received funding from the board on four previous occasions: in 1988 for improvements to its culinary water system, in 1993 to install the secondary irrigation system, in 2019 to install secondary meters, and in 2019 to reuse treated water from the Jordan Basin Water Reclamation Facility in the secondary system. The 2019 projects are still under construction. Repayments for the 1988 and 1993 projects have been completed.

Existing Conditions & Problems
The applicant provides secondary lawn and garden water in an area where a developer previously installed a secondary system within a subdivision. The developer owned and ran the system on his own for many years and served 53 homes with lawn and garden water. However, the system was poorly installed and developed numerous breaks and leaks. It was also installed in the backyards of the homes, making it difficult to maintain. The developer has transferred ownership of this system to the applicant.

The applicant also needs to continue expanding their system, and a lateral serving a new subdivision on 12000 South with 20 service connections is a priority.

Proposed Project
The applicant is requesting financial assistance from the board to install approximately 4,800 feet of 6-inch PVC pipeline, and 73 meter boxes and service appurtenances. The applicant already owns the meters that will be installed as they were purchased as part of another project. The pipelines, located on 12600 South, 12000 South, and Clover Drive, will be placed in the roadways in front of the houses, and the old, failed lines will be capped.

Benefits
Completion of the project will allow 73 homes to use secondary water for lawns and gardens, thereby saving higher quality culinary water for future residential growth. It will also eliminate the pipeline from the backyards making it easier to maintain the system. After the connections are metered, the applicant will charge for water based on usage, which it estimates will reduce use by over 20%. The applicant will be able to track water use and notify users of abnormal use patterns that may indicate broken lines or leaks. This project will also enable the applicant to better manage its water supply. Eventually, approximately 97% of the applicant’s secondary irrigation connections will be metered.
Cost Estimate

The following cost estimate is based on information provided by the applicant:

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<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Quantity</th>
<th>Unit</th>
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Construction Cost | $1,452,580

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<th>Agency</th>
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<tr>
<td>Applicant</td>
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<td>15%</td>
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TOTAL Cost Sharing | $1,650,000

Cost Sharing & Repayment

The recommended cost sharing and repayment are:

Staff recommends the board authorize the project and commit 85% of the project cost up to $1,402,500, and that the project be purchased at 1% interest over 25 years with annual payments of approximately $63,700.

Economic Feasibility

It is in the best interests of the state that secondary water connections be metered. There is no alternative to metering secondary connections; therefore, the benefit/cost ratio for the meter boxes is assumed to be 1.0. The pipeline portion of the project is also assumed to have a benefit/cost ratio of 1.0 as there is no other reasonable option to deliver secondary water; and using culinary water for lawns when secondary water is available is not a reasonable option.
Financial Feasibility
The board’s affordability guideline suggests Draper City residents could pay up to $83.77 per month for all water. The current average monthly culinary water bill is approximately $47 and the secondary irrigation bill is about $27 per month. Water-related property tax in Draper City is approximately $16 per month, resulting in a current cost of water, per connection, per month, of about $90. The proposed annual payment to the board of $63,500, divided between the 3,175 total secondary connections, equals $1.67 per month per connection. The resulting average bill of about $91.67 per month is well over the board’s affordability guideline.

Water Rights & Supply
The applicant owns numerous water rights from springs, creeks, the Jordan River, Utah Lake, and wells to supply its culinary and secondary irrigation systems. Rights to a majority of these are in the name of the board from the previous projects.

Easements
Some easements will be needed for the road work but the applicant states the city is agreeable to providing them.

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

Water Conservation
The applicant estimates that approximately 20% of the secondary water used at these 73 homes will be conserved after meters are installed. An unknown amount of wasted water will also be conserved by abandoning the old, leaky secondary line.

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 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. Obtain approval of final plans and specifications from the Division of Water Resources.
5. Submit plans and specifications to the Division of Drinking Water for their records.
Draper Irrigation Company
Secondary Water Pipeline and Meter Box Project
Salt Lake County

Proposed Pipelines & Meter Boxes:
T3S, R1E; Sections 30 & 31
**Applicant:** Herriman City

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<th><strong>Project Number:</strong></th>
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<td><strong>Fund:</strong></td>
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<td>6/17/2021</td>
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<thead>
<tr>
<th><strong>Board Member:</strong></th>
<th>Juliette Tennert</th>
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<tr>
<td><strong>Project Manager:</strong></td>
<td>Ben Marett</td>
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<table>
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<tr>
<th><strong>Project Contacts:</strong></th>
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<tbody>
<tr>
<td>Mayor:</td>
</tr>
<tr>
<td>David Watts</td>
</tr>
<tr>
<td>5355 W. Main St.</td>
</tr>
<tr>
<td>Herriman, UT 84096</td>
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<tr>
<td>801-446-5323</td>
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<tr>
<td>Public Works Director:</td>
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<tr>
<td>Justun Edwards,</td>
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<tr>
<td>5355 W. Main St.</td>
</tr>
<tr>
<td>Herriman, UT 84096</td>
</tr>
<tr>
<td>801-446-5323</td>
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</tbody>
</table>

**Location**
The proposed project is located in Herriman City in Salt Lake County.

**Proposed Project**
The applicant is requesting financial assistance from the board for a bond insurance grant for water revenue and refunding bonds sold on the open market.
Applicant: Centerfield City

Project Number: RE448
Fund: Conservation and Development Fund
Cost Estimate: $1,059,000

Application Received: 5/27/2021
Board Meeting Date: 6/17/2021

Board Member: Blaine Ipson
Project Manager: Jaqueline Pacheco

Project Contacts:
City Recorder: Lacey Belnap
130 S. Main
Centerfield, UT 84622
435-528-3296
Treasurer: Lindzey Young
130 S. Main
Centerfield, UT 84622
435-528-3296
Engineer: Garrick Willden
Jones & Demille
50 S Main St #28
Manti, UT 84642

Location
The proposed project is located in Centerfield City in Sanpete County.

Proposed Project
The applicant is requesting financial assistance from the board to install secondary and irrigation meters within city limits.

Water Rights
The applicant receives secondary and irrigation water from Gunnison Irrigation Company.
Applicant: Center Creek Water System

Project Number: RE449  
Fund: Conservation and Development Fund  
Cost Estimate: $1,910,000

Application Received: 5/27/2021  
Board Meeting Date: 6/17/2021

Board Member: Wayne Andersen  
Project Manager: Marisa Egbert

Project Contacts:
President: Allen Sweat  
Secretary: Teri Sweat  
Engineer: Steve Jackson  
2682 E. Center Creek Rd.  
2637 S. Old Settler’s Rd.  
3376 Stonehill Lane
Heber City, UT 84032  
Heber City, UT 84032  
Cottonwood Heights, UT 84121  
435-671-3906  
435-654-2391

Location
The proposed project is located four miles East of Heber City in Wasatch County.

Proposed Project
The applicant is requesting financial assistance from the board to construct approximately 13,600 feet of pipe from their water source and a filtration facility for drinking water.
Lake Powell Pipeline Update
June 17, 2021

- Bureau of Reclamation working on Supplemental Draft Environmental Impact Statement (EIS), followed by Final EIS, and Record of Decision
- Waiting for State Engineer’s decision on Water Rights Change Application
- Bureau of Land Management preparing Historic Properties Treatment Plan
- Ongoing discussions with Basin States
- Right of way development
- Continued efforts on Public Education and Outreach
- Additional Permitting Efforts to be completed
  o Army Corps of Engineers 404 Permits and Utah 401 Certification
  o Fish and Wildlife Service Biological Opinion
  o Bureau of Reclamation Exchange Agreement
- Project Timeline
  o Supplemental Draft EIS – Winter 2021
  o Final EIS – Summer 2022
  o Record of Decision – Summer/Fall 2022
  o Final Design and Financing Plan
  o Construction
- Contracts Update

Presented by Joel Williams, Assistant Director
BOARD OF WATER RESOURCES  
Electronic Briefing Meeting Minutes  
Department of Natural Resources  
March 17, 2021  
10:00 am

THOSE PRESENT:  
Chair Blaine Ipson  
Vice-Chair Kyle Stephens  
Norman Johnson  
Juliette Tennert  
Charles Holmgren  
James (Jim) Lemmon  
Randy Crozier  
Director Todd Adams  
Deputy Director Candice Hasenyager  
Assistant Director Joel Williams  
Assistant Director Todd Stonely  
Ben Maret  
Betsy Morgan  
Carmen McDonald  
Marisa Egbert  
Paul Gedge  
Randy Staker  
Lindsay Russell  
Scott McGettigan  
Shalaine DeBernardi  
Tom Cox  
Marty Bushman

CHAIR BLAINE IPSON started the meeting at 10:02 am.  
CHAIR BLAINE IPSON read the Covid-19 Mandate: Due to the COVI D-19 pandemic and the ability of the virus to spread from person to person, the Governor 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 chair of this public body have determined that public gathering at Board of Water Resources meetings presents a substantial risk to the health and safety of those who attend. As such, this meeting will be conducted using a fully electronic format. This meeting format is authorized by a recent amendment to the Utah Code1 and Executive Order by Utah Governor Gary Herbert2-and will be temporarily used in
place of the in-person public meetings that usually occur around the state. Anyone wishing to comment on agenda topics in future meetings or to observe this meeting may do so by logging on to the Division’s webpage at www.water.utah.gov/comments/ where instructions and links are provided.

CHAIR BLAINE IPSON did a roll call of the Board members and all were present with the exception of WAYNE ANDERSEN.

DIRECTOR TODD ADAMS did a roll call of staff and others present.

CHAIR BLAINE IPSON we are hoping to be back in person for meetings soon as the vaccines and covid-19 situation continues to improve. Happy St. Patrick’s Day. We will welcome new staff and then we will be getting a snow report from Jordan Clayton with NRCS. There are a lot of things going on with the Division staff and we are very grateful for their effort.

SCOTT MCGETTIGAN we would like to welcome Betsy Morgan to the Interstate Streams section.

BETSY MORGAN has experience working in wildlife and river modeling. Got a Bachelors from Oregon State University in ecological engineering and is finishing up her Master’s degree in civil engineering at Utah State University. She worked as an aquatic habitat biologist in Wyoming and is excited to be here.

JOEL WILLIAMS we are excited to have Ati Vainuku in the office specialist position.

ATI VAINUKU comes from over 20 years of experience in healthcare administration with an MBA. I was managing operations for IHC and is excited to have a job that is 8-5 with a great team.

DIRECTOR TODD ADAMS Candice sent out a quarterly newsletter that we just started and several of the Legislative Update items included funding for a land use and water planning study for just under $300,000. The Colorado River Authority received $9 million one-time and $600,000 ongoing. UDAP received $3 million for ag/water optimization funding for on-farm projects. The Division received $18 million for dam safety from the C&D fund. We feel that this will get us through the next 2 years for the major dam upgrades we are expecting and potential ones that are on the high hazard list. This is in addition to the $3.8 million dedicated to dam safety funding. We generally do a 90/10% split with the dams, however we have the estimates on these projects and are anticipating higher costs based on previous project costs.

VICE-CHAIR KYLIE STEPHENS complimented Candice and the staff for putting the newsletter together and getting that out. It was very helpful to us as board members in knowing what is going on in the Division.

Regarding HB 346, which is the energy development within the Department of Natural Resources and divides the Division of Parks and Recreation into two different divisions. What are the new divisions going to look like?
DIRECTOR TODD ADAMS we are still trying to figure out. They will have a Division of Parks and a Division of Recreation which is all we know at this point.
VICE-CHAIR KYLE STEPHENS one of the state planning agencies has moved the public lands policy down into the Department of Natural Resources?
DIRECTOR TODD ADAMS yes, HB 368 will move the Public Lands Policy Coordinating Office to be a part of the Department of Natural Resources. It will help us coordinate the planning issues a bit better. It will happen in July.
VICE-CHAIR KYLE STEPHENS the last question I had was on HB297 regarding the Colorado River Amendments where they talked about giving the authority to hire an executive director. How will that impact the Division?
DIRECTOR TODD ADAMS it will be additional resources for the State and the Authority to work together on interstate stream issues.
RANDY CROZIER regarding the electronic meeting notice we read at the start of the meetings, do we need to change that to Governor Cox or would it stay as Governor Herbert?
CHAIR BLAINE IPSON Marty, was there anything new from the new governor on this?
MARTY BUSHMAN I have not heard anything different on this from Governor Cox. It is pursuant to statute from the legislature last year regarding public meetings due to Covid.
CHAIR BLAINE IPSON okay thank you for that clarification.

CHAIR BLAINE IPSON went through some “housekeeping items” on the sequence of the project process.

DIRECTOR TODD ADAMS we mistakenly missed posting the January 28, 2021 meeting on the Public Notice Website so we will be going back and redoing the action items from that meeting so we can look at any public comments. We will not let that happen again and we will be going through those first in today’s Board meeting. We will be approving the January minutes in the May meeting as well as the change in the electronic meeting mandate from the Governor’s office.

CHAIR BLAINE IPSON in the minutes from January, the old notice for the Covid public meetings notice was written but that will be fixed in the minutes in May.
CHARLES HOLMGREN change Brian Merrill to Ryan Merrill on page 4 of the briefing meeting.

CHAIR BLAINE IPSON we will have the NRCS snow report after we do that in the full meeting. We are hoping for better news. We will be reconsidering the January action items. The first will be ratification of the Utah Representatives for Upper Colorado River Commission (Gene Shawcroft as the Commissioner; Todd Adams and Teresa Wilmenson as alternate Commissioners; and Todd Adams and Candice Hasenyager as advisors) and Bear River Commission (Todd Adams as Commissioner). We will then hear a brief summary of the project reports and state the recommendation and the Board will be able to ask questions and public comments will be read. The vote will be redone and recorded.
SHALAINIE DEBERNARDI we decided that I would be giving the project presentations from the January meeting. Jaqueline Pacheco will not be joining us today because she is on leave. The
recap will be done with the slides and recommendations for each. We will ask you to skip the project RE417 for Peoa when we go over the January Agenda so we can re-discuss it as a special item in the regular discussion.

CHAIR BLAINE IPSON I have discussed with Todd Adams and Kyle Stephens and we felt that it would be important to discuss it as it was in the January meeting and we can bring up the new proposal in the current meeting. Just to ensure that we do that according to procedure.

VICE-CHAIR KYLE STEPHENS so Shalaine, you can present that just as it was in the January meeting and I will move to approve that. We can discuss the other issue in the other section.

CHAIR BLAINE IPSON can someone make the motion if Wayne is not in the meeting?

JIM LEMMON I can do that.

CHAIR BLAINE IPSON for all other motions, is everyone okay to make them as they were in January?

All agreed.

NEW PROJECTS

RE445 VEYO CULINARY WATER ASSOCIATION

JIM LEMMON it is a project they really need. They have 2 tanks at different levels and there are quite a few leaks so this really needs to be updated. It wastes a lot of water.

TOM COX this project is very straightforward. Both tanks will be replaced by one concrete one. They were initially thinking that a 500,000 gallon tank would work but they are considering a larger one so that might be something they consider in the future. Potential money from the Washington County Conservancy District has not been added into the cost share yet but if that happens, we will adjust.

JIM LEMMON I will make the motion on that project.

COMMITTAL OF FUNDS

RC031 DMAD

CHAIR BLAINE IPSON I will need to recuse myself from this project because I am a shareholder. This is a great project and needed. This is Phase 2 of the project and they have worked hard to bring the costs down and the project is really important and Vice-Chair Kyle Stephens will be taking the discussion from here.

VICE-CHAIR KYLE STEPHENS I will be taking over the discussion on this.

TOM COX This dam was built in 1909 and was enlarged in 1957 with funds from Water Resources. The floods in 1983 took out their spillway and the engineers at the Division designed a new one in 1984 and the board provided over $1.1 million as a loan and that has been paid off. Phase 1 of the dam safety upgrade was completed in 2008 and consisted of stability berms and toe drains but the spillway issues were not addressed at that time. 95% in grants were given from the Board and the company provided the other 5%. During the design for the current project, the soil the 1984 spillway was built on was found to be susceptible to liquefaction and because of the geometry and the way the spillway was designed, there were issues and the structure is undersized and not stable.

This phase of the project is replacing the spillway completely and it will be large. The drainage area of the dam is over 6,000 square miles which is approximately 7% of the entire state. So
this will be Phase 2. The cost is $14,750,000 and although the bids came in under that, we felt that keeping the higher amount is better in case unexpected items may come up. Staff recommends the board commit 90% of the project cost, up to $13,275,000, as a dam safety grant and 10% of the project cost, up to $1,475,000, as a loan from the C&D fund to be returned at 0.1% interest over 10 years with annual payments of approximately $148,400.

VICE-CHAIR KYLE STEPHENS any questions?

RANDY CROZIER I am concerned with going less than the 90/10 split because we do have a lot of dams that have to be taken care of. Many dams have been paid for by the owners because they were not classified as high risk.

CHARLES HOLMGREN LISTEN I am sympathetic to the burden being placed on this group. There is a group in my area looking to go for a 95/5 split as well. I was wondering if there is a potential to extend their annual payments beyond 10 years to make the payments more palatable?

TOM COX Yes, and I have the numbers for 10, 15, 20 years payments. 10 years: $148,400, 15 years: $99,200, 20 years: $74,600.

JULIETTE TENNERT I want to be as flexible as possible but also preserve funds. If we change the terms we would need to be open to that in the future so the impacts of our decision on changing the time frame this time, we would be setting precedence.

DIRECTOR TODD ADAMS my question would be, if we decide to move to a longer time period, have we done that before; but typically these were meant to be shorter loans to bridge the gap between their cost share component or wait for additional dam safety funds to become available.

TOM COX we have had as short at 1 or 5 years in earlier projects. The practice was to tack those onto the end of existing loans for the company but recently we have been doing 10 years. In Koosharem, we agreed to 35 years because of the cost they would have to borrow and pay back. The cost per acre was much higher for them.

SHALALINE DEBERNARDI if DMAD had their way, they would prefer to not borrow anything because they would prefer to use the higher grant and cover their share themselves so I am not certain if they will ask for longer repayment terms.

TOM COX They have been making payments on this dam for decades and they just don't want to pay more.

JIM LEMMON if I am remembering this right, with all the other groups that need help, we are over 100 years to upgrade them and if we change it to 5%, we might need to do that for all of them and there will be some that we cannot help. I think we should stick with what we have.

DIRECTOR TODD ADAMS the dam safety funding component requires that we do at least 80% grant. I am not certain that we have done many at that 80% because most have been around 90%.

SHALALINE DEBERNARDI the only grants we have done at 80% have been ones owned by a government entity. The general guideline for the board is 90%. The board has not provided a 95% grant since 2007.

CHARLES HOLMGREN when we get down to Blue Creek Dam, they are asking for 95% so I am concerned about giving 95% to DMAD and potentially turning down the Blue Creek Dam.

JIM LEMMON I can make the motion on this project.
RE373 ASHLEY UPPER IRRIGATION COMPANY
BEN MARETT this is a large project that came before the Board in 2018. It has been delayed for some environmental remediation. They are prepared for committal. Staff recommends the board commit 29.6% of the project cost, up to $6,686,000 and that the project be purchased at 1.0% interest over 30 years, with annual payments of approximately $259,100.
NORMAN JOHNSON why has the Uinta Transportation District cost gone down?
BEN MARETT they redirected some of those funds to a different project. They are being used to assist in road crossings.

RE417 PEOA SOUTH BENCH
VICE-CHAIR KYLE STEPHENS Mr. Turpin contacted me and indicated that they had made a mistake in not bringing the proposal they had before the Board. I was not aware of previous situations to bring forward some of these suggestions so we are at this point and they will present their updated proposal.
SHALAINE DEBERNARDI they were unaware of the fact that they could ask for a higher amount. This is significant to the applicant and they will be here to make that request for their special item.
CHAIR BLAINE IPSON Kyle, are you willing to make a motion on this? When Shalaine reached out a few days after the last meeting, my first thought was that they had their chance to ask for more and they were happy with what they got but I have looked more closely at the project and they are genuinely concerned about making those payments. We do not have to have a motion if we decide it’s not something we want to move forward with.
CHARLES HOLMGREN we have run into this problem previously and they talk about the cost-benefit ratios and ability to repay. But when they calculated incorrectly, it can be overwhelming if they are not providing accurate information. I am not sure this group was quite ready to address the reality they were facing but I do support it.
VICE-CHAIR KYLE STEPHENS I am sympathetic to their issues and I am hoping they share their justifications for this so I will make that motion and see where it goes.

RE446 PROVO RIVER WATER USERS ASSOCIATION
CHAIR BLAINE IPSON this is a large project and Tom will update us on. We will not have an action on this or even a discussion in the full meeting.
TOM COX this is definitely not a little project. They are going to replace the inlet and control gates at Deer Creek Reservoir. We do have the funds and we will have more information as they move forward.
VICE-CHAIR KYLE STEPHENS the cost estimate at this time is $60 million, is there any other funding they are seeking and what are they asking from the Board?
TOM COX they are trying to get money from Central Utah Water Conservancy District so with that and their cost share, they are asking the board for $43 million dollars.
SHALAINE DEBERNARDI we were expecting this application for awhile. They and the Provo Reservoir Water Users have both paid off what they own on their bonds for the Murdock Canal enclosure project. It is not noted in the status of funds, we have received over $40 million from
them in the last few months. It is a huge number but we will have those funds available to use. Tom Cox has been assigned this project.

CHAIR BLAINE IPSON we will then have the Planning report from Jake Serago, the Bear River Development report from Maris Egbert, and the Lake Powell Pipeline report from Joel Williams. After the Directors report, we will adjourn the meeting.

INFORMATION TO THE BOARD
JOEL WILLIAMS provided the Status of Funds report.
VICE-CHAIR KYLE STEPHENS after we have now put the dates in that last column, there was one authorized in 2007 and another in 2008 and no movement has been made since then. Is there a process they have to go through to move that forward?
JOEL WILLIAMS the project managers are keeping in touch with them and there are various reasons for the delay. After 6 years, there must be a reauthorization but beyond that, we do not have a policy of the project being removed after a certain period of time.
DIRECTOR TODD ADAMS we are in discussion with Weber Basin about some additional projects. There are some bigger numbers being discussed in helping them.
SHALALINE DEBERNARDI Tom and I have also had discussions because of previous projects with Weber Basin. They had several projects that they submitted all at once and some moved forward quicker than others. This part was authorized and just never moved to committal. We will talk to them to see what they are wanting to do and we will get that sorted out.
VICE-CHAIR KYLE STEPHENS is it a consistent policy that projects that go beyond 6 years automatically fall off?
NORMAN JOHNSON won't the cost go up anyways given the number of years that have passed?
CHAIR BLAINE IPSON that would make sense. Given Joel's explanation on that, I don't see a reason to change that. After 6 years, they have to come back for reauthorization and I like having the projects on the list so we have an idea of what potential projects are out there.
CHARLES HOLMGREN 3 of the projects are in my area and just in looking at the oldest one, two of the principals have died from the irrigation companies. With others, there have been changes in board members and I am trying to push to see if they are interested in continuing these projects.
CHAIR BLAINE IPSON does the Division have the ability to go and talk to those who are some of the older projects and where do we go from there?
VICE-CHAIR KYLE STEPHENS yes and Joel's point of moving some of those to the back page as potential projects needing state funds might be beneficial. Then they are on the books and we don't lose track of them but they are not affecting the Status of Funds.
DIRECTOR TODD ADAMS we do have the staff to be able to reach out to these groups and we have been doing that recently. Many still have plans to move forward with their projects at some point in time.
SHALALINE DEBERNARDI if you prefer that anything more than 3-4 years old be moved to that back page, we can do that. Then we know they still want the project but we can stay in touch with them.
VICE-CHAIR KYLE STEPHENS I just looked at the projects that were authorized as those that were actively working on moving forward. The projects that have been on there longer can be confusing as to their intentions.

RANDY CROZIER can the staff come up with a recommendation to create a policy for this? TODD STONELLY Joel asked me to fill in on the administrative rules portion of this questions. The 6 year authorization applies to phased projects that would last longer than 2 years. Typically projects are authorized for 2 years and an extension can be granted if the applicant shows diligence in completing the requirements for that additional year.

CHAIR BLAINE IPSON in the framework of the existing rules, can we have a policy recommendation to help clarify this?

DIRECTOR TODD ADAMS I think that and restating the guidelines within the administrative rule would be good.

WAYNE ANDERSEN joined the meeting at this point.

DIRECTOR TODD ADAMS turned the time over to Candice Hasenyager for the legislative update.

DEPUTY DIRECTOR CANDICE HASENYAGER I will be discussing the 3-4 bills that did pass. HB297 was passed and it was regarding the Colorado River Authority that was sponsored by Speaker Wilson and President Adams. It created the Colorado River Authority for Utah to protect, conserve, and develop Utah’s Colorado River Basin waters. It creates the ability for them to hire an executive director and staff. The Division of Water Resources will work with this authority to address some of the complex issues that are facing the Colorado River system.

Another bill passed was HCR 1 which was regarding the Flaming Gorge Stakeholders. This was sponsored by Rep. Chew and Sen Hinkins. It describes the stakeholders' interest in having a more active role in the releases at Flaming Gorge because right now, it is done through a rod. There are concerns with erosion and flows and they want to work with all including potentially the Bureau of Reclamation on these releases.

DIRECTOR TODD ADAMS there have also been concerns about the native fish and habitat issues.

DEPUTY DIRECTOR CANDICE HASENYAGER another one, SB199 titled Water Amendments which was sponsored by Senator McKell and Rep. Hawkes which appropriated $2 million ongoing from the General Fund as grants for the installation of secondary meters for small water suppliers. This is money that the board will be able to loan out. It was put into the C&D fund. A small secondary water supplier is defined as 5,000 connections or less and it does require a 50% cost share. I will be working with Joel and Shalaine to write the board rules associated with this. We are excited to have some money for these groups.

Another 2 that were passed were SP225 and SJR 14 and are relating to the Navajo Water Rights bills. They were sponsored by Senator Hinkins and Rep. Watkins. These were the next steps that the legislature needed to do to ratify the agreements and appropriate the remaining funds that Utah needed to commit previously. $2 million was set aside in addition to the $6 million set aside in SP225.

CHAIR BLAINE IPSON I just want to thank Candice for her time and effort on this as well as the Know the Flow newsletter.
DIRECTOR TODD ADAMS it was recommended to the Governor that a drought declaration be signed and I am assuming that he is reviewing all the bills that came out of the legislative session. The snow report is better this time than last meeting so we are just hoping for better news as the year moves on. Board reappointments are still on the docket and we will let you know if we hear something new on that. Water Users Workshop will be held May 17-19 in St. George. There is still a caveat that state employees cannot travel but Board Members are able to and we can look into that. Virtual attendance is an option as well.

CHAIR BLAINE IPSON I asked the conference registration this morning regarding the board members being able to virtually attend the meeting. She did not have an answer but they are working on that.

DIRECTOR TODD ADAMS thank you, I will reach out to Carly Burton and the Utah Water Users group to make sure that is addressed.

JIM LEMMON will we change the board meeting to fall on that time?

DIRECTOR TODD ADAMS it is set to May 5th but we can move it if the board would like.

CHAIR BLAINE IPSON if we have to do it virtually again, it would be easier to continue to do so virtually so it is consistent and separate and distinct from that meeting.

VICE-CHAIR KYLE STEPHENS I agree with the Chairman.

JIM LEMMON I would also agree.

DIRECTOR TODD ADAMS please reach out to myself or Lindsay so we can get that scheduled and travel set up.

WAYNE HOLMGREN I am signed up and will be staying in my own home.

JIM LEMMON I need to be signed up for the meeting.

CHAIR BLAINE IPSON those who were registered for the meeting last year are still signed up and can attend.

DIRECTOR TODD ADAMS we need to make sure we are all compliant on the Open Public Meeting Training. Shalaine will send an email to remind you to take that training.

SHALALINE DEBERNARDI I will be sending that link out. Also, there will be some action from the board during the Bear River Development Report from Marisa in the full board meeting. We will need someone to be willing to make that motion.

CHAIR BLAINE IPSON would Charles Holmgren be willing since that is his area?

CHARLES HOLMGREN yes, I will do that. It is in the Board Book.

DIRECTOR TODD ADAMS in discussing the Bear River Development, we are nearing that $5 million dollar expense limit that we had been directed to work towards. We will likely be asking for an additional appropriation for more purchases in the future.

VICE-CHAIR KYLE STEPHENS moved to adjourn the meeting and NORMAN JOHNSON seconded the motion. After a roll call vote, all approved and the meeting was adjourned.
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

March 17, 2021

Electronic Meeting
Utah Department of Natural Resources
# TABLE OF CONTENTS

SUMMARY OF BOARD ACTIONS ................................................................................. ii-iii

THOSE PRESENT ......................................................................................................... iv

MARCH 17, 2021 MINUTES ....................................................................................... 1-9

- NRCS SNOW REPORT ............................................................................................... 1

- INTERSTATE STREAMS COMMISSIONER APPOINTMENTS .................................... 2-3

- RECONSIDERED PROJECT REPORTS ..................................................................... 3-5

- NEW PROJECT REPORTS .......................................................................................... 5-8

- PLANNING REPORT ................................................................................................... 9

- BEAR RIVER DEVELOPMENT REPORT ................................................................ 9

- LAKE POWELL PIPELINE REPORT ........................................................................ 9

- DIRECTOR’S REPORT ............................................................................................... 6

- ADJOURNMENT ......................................................................................................... 10
SUMMARY OF BOARD ACTIONS
March 17, 2021

1. PAGE 3: Ratification of Gene Shawcroft to the Upper Colorado River Commission as the Utah Commissioner and Director Todd Adams, Deputy Director Candice Hasenyager, and Teresa Wilhelmson as alternates – the board approved the ratification. RANDY CROZIER moved to approve, WAYNE ANDERSEN seconded the motion and after a roll call vote, all approved with the exception of CHARLES HOLMGREN and NORMAN JOHNSON who voted nay. The motion was passed 6-2.

2. PAGE 3: Ratification of Director Todd Adams to the Bear River Commission – the board approved the ratification. CHARLES HOLMGREN moved to approve the ratification, JIM LEMMON seconded the motion and after a roll call vote, all approved and the motion passed.

3. PAGE 3: RE433 Sunrise and Bench Creek Irrigation Co – the board approved the project. WAYNE ANDERSEN moved to approve, JIM LEMMON seconded the motion and after a roll call vote, all approved and the motion passed.

4. PAGE 4: RC059 Moon Lake Water Users Association – the board approved the Dam Safety Grant. RANDY CROZIER moved to approve, WAYNE ANDERSEN seconded the motion and after a roll call vote, all approved and the motion passed.

5. PAGE 4: RE417 Peoa South Bench Canal & Irrigation Company – the board approved the reauthorization and committal of funds for the project. VICE-CHAIR KYLE STEPHENS moved to approve, JIM LEMMON seconded and after a roll call vote, all approved and the motion passed.

6. PAGE 5: RE429 Cove Water Works Company – the board approved the amendment to the original purchase agreement. CHARLES HOLMGREN moved to approve, VICE-CHAIR KYLE STEPHENS seconded the motion and after a roll call vote, all approved and the motion passed.

7. PAGE 5: RE445 Veya Culinary Water Association – the board authorized the project cost. JIM LEMMON moved to approve, NORMAN JOHNSON seconded and after a roll call vote, all approved and the motion passed.

8. PAGE 7: RC031 DMAD Company – the board approved the original staff recommendation of a 30 year repayment time frame. JIM LEMMON moved to approve, RANDY CROZIER seconded, all approved and the motion passed.

9. PAGE 7: RC031 DMAD Company – WAYNE ANDERSEN suggested an amendment to the original motion to move the repayment time frame to 20 years. CHARLES HOLMGREN seconded that motion, and after a roll call vote, the other 4 eligible votes for this project voted nay and the motion was not carried.
10. PAGE 8: **RE373 Ashley Upper Irrigation Company** – the board approved the project. RANDY CROZIER moved to approve, VICE-CHAIR KYLE STEPHENS seconded the motion and after a roll call vote, all approved and the motion passed.

11. PAGE 8: **RE417 Peoa South Bench Canal and Irrigation Company** – the board approved the reauthorization and committal of funds. VICE-CHAIR KYLE STEPHENS moved to approve, NORMAN JOHNSON seconded the motion and after a roll call vote, all approved and the motion passed.

12. PAGE 9: Bear River Right of Way properties – the board approved the funding for the properties. CHARLES HOLMGREN moved to approve the funds, VICE-CHAIR KYLE STEPHENS seconded the motion, and after a roll call vote, all approved and the motion passed.

13. PAGE 6: JIM LEMMON moved to adjourn the meeting, VICE-CHAIR KYLE STEPHENS seconded the motion and after a roll call vote, all approved and the meeting ended at 3:52 pm.
THOSE PRESENT

BOARD MEMBERS PRESENT:
Blaine Ipson, Chair
Kyle Stephens, Vice-Chair
Norman Johnson, Board
Juliette Tennert, Board
Wayne Andersen, Board
Charles Holmgren, Board
James (Jim) Lemmon, Board
Randy Crozier, Board

STAFF MEMBERS PRESENT:
Todd Adams, Director
Candice Hasenyager, Deputy Director
Joel Williams, Assistant Director
Todd Stonely, Assistant Director
Shalaine Debernardi, Section Manager
Randy Staker, Financial Analyst
Russell Hadley, Engineer
Tom Cox, Engineer
Ben Maret, Engineer
Marisa Egbert, Engineer
Russ Barrus, Engineer
Marty Bushman, Attorney
Carmen McDonald, Engineer Technician
Lindsay Russell, Executive Admin

OTHERS PRESENT:
Gene Shawcroft, Nominee to Upper Colorado River Commission
Jordan Clayton, NRCS
Curt Smuin, Ashley Upper Canal Company
Troy Ostler, Ashley Upper Canal Company
William Merkley, Ashley Upper Canal Company
Billy Cook, Ashley Upper Canal Company
Brian Deeter, J-U-B Engineers
Dave Lake, Peoa South Bench
Sam Turpin, Peoa South Bench
Thad Seegmiller, Veyo
Thayne Clark, DMAD
Andy Nickle, DMAD
Jerry Skeem, DMAD
Mark Peterson, DMAD
Troy Davis, DMAD
Jared Smith, DMAD
Kris Bunker, DMAD
Paul McCollaim, DMAD
Slade Hughes, Veyo
John Leavitt, Veyo
CHAIR BLAINE IPSON began the meeting at 1:00 pm
CHAIR BLAINE IPSON called the meeting to order and read 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 did a roll call vote and all Board members were present.
DIRECTOR TODD ADAMS announced the staff and others present.

CHAIR BLAINE IPSON the January meetings were mistakenly not posted on the Public Notice Website. So, while presentations were made and applicants were in attendance, no public comments were received and in order to ensure opportunity for public comment on action items, the January meeting actions will be reconsidered with proper notice and any public comments provided with that will take place in this board meeting.
We had an electronic board briefing meeting this morning prior to this meeting as well.
We will hold off on approving the minutes for the January meeting until the May meeting, thus no action will be taken on that.
The next item is the NRCS Snow Report from Jordan Clayton.

NRCS SNOW REPORT
JORDAN CLAYTON provided the update on the snow report. Conditions have improved in some areas of the state but there is still room to improve in southwestern Utah.
INTERSTATE STREAM APPOINTMENTS
CHAIR BLAINE IPSON the next item to reconsider deals with Governor Cox’s Interstate Streams Appointments to the Upper Colorado River Commission. Director Todd Adams will give this overview.

DIRECTOR TODD ADAMS
At the beginning of January, a letter was sent to the Upper Colorado River Commission from the governor to notify them that Gene Shawcroft was selected as the Upper Colorado River Commissioner. It also directed that Director Todd Adams and Deputy Director Candice Hasenyager would be appointed as alternate advisors. It also included appointing Director Todd Adams and Theresa Wilhelmson as alternate commissioners. Gene will represent Utah’s interest on the Upper Colorado River Commission as well as take the lead on negotiations. We need the board to ratify that appointment.

GENE SHAWCROFT I am honored and humbled to serve in this capacity and I am happy to share whatever capacities with those who have represented the state in the past to bring attention to water in the state. Hopefully the people will recognize the value in water but we need to pay more attention to our water. HB297 was passed in an effort to bring attention to water and the significance of the Colorado River water to the state. More than half of the people from the state get water from the Colorado River.

CHAIR BLAINE IPSON in the last meeting, we had discussed that traditionally, the Division of Water Resources had held this position and we wondered what your plans were to keep the Division and Board of Water Resources involved in this process?

GENE SHAWCROFT one of the things that is important to me is the involvement of Todd Adams and Theresa Wilhelmson. Having them close makes a tremendous difference. Historically, the commissioner has provided an update to the Board periodically and I am happy to continue that. In the last month, I have met with the Upper Colorado River Commissioner at least 6 times and at least 3 times with the entire seven states’ principals. There is a lot of work to be done and some great cooperation but we also need to get more information to be able to represent ourselves well through the renegotiation of the 2007 guidelines.

DIRECTOR TODD ADAMS Gene and I have been talking a lot more recently and we are discussing these issues. We are treating this like a bigger and better team with additional resources in moving forward Utah’s interest in the Colorado River.

RANDY STAKER there were no public comments.

CHAIR BLAINE IPSON any clarification or additional information from the board on this? One item of clarification that I wanted to ask about based on the January meeting minutes. The minutes specified Todd Adams, Theresa Wilhelmson, and Candice Hasenyager as alternates and I heard something different than that, specifying Todd Adams and Theresa Wilhelmson as alternates and Todd Adams and Candice Hasenyager as advisors.
DIRECTOR TODD ADAMS that is correct Mr. Chair. We need to ratify Gene Shawcroft as the Upper Colorado River Commission, Todd Adams and Theresa Wilhelmsen as alternate commissioners, and Todd Adams and Candice Hasenyager as advisors.

CHAIR BLAINE IPSON thank you for that clarification. I was able to participate in a webinar on Colorado River Issues put on by CLE and it was interesting to see the different take between the Upper and Lower Colorado River.

RANDY CROZIER moved to ratify Governor Cox’s appointment of Gene Shawcroft to the Upper Colorado River Commission as the Utah Commissioner as well as Todd Adams and Theresa Wilhelmsen as alternate commissioners and also Todd Adams and Candice Hasenyager as advisors. WAYNE ANDERSEN seconded the motion and after a roll call vote all approved with the exception of CHARLES HOLMGREN and NORMAN JOHNSON who voted no. The motion carried with a vote of 6 to 2.

CHAIR BLAINE IPSON next we have the ratification of Director Todd Adams to the Bear River Commission.

DIRECTOR TODD ADAMS it was recommended a year ago that I become the Bear River Commissioner. In ratifying Gene as the Upper Colorado River Commissioner, we just wanted to make sure that it was understood and explained that I would remain the Bear River Commissioner. Charles Holmgren and Blair Francis are also Bear River Commissioners so this just ratifies me as one as well.

RANDY STAKER there were no public comments on this item.

CHARLES HOLMGREN moved to ratify Todd Adams as the Bear River Commissioner for the state of Utah. JIM LEMMON seconded the motion and after a roll call vote, all approved.

RECONSIDERED ITEMS FROM JANUARY MEETING

**RE443 Sunrise and Bench Creek Irrigation Co**

SHALAIINE DEBERNARDI Russell presented the Sunrise and Bench Creek Irrigation Company project to replace some deteriorating corrugated metal pipe with approximately 7,800 feet of PVC pipe and construct a new inlet structure to avoid losing their entire water supply. They also have a WaterSMART grant for $538,000.

Staff recommends the board authorize 47.6% of the project cost, up to $580,000, and that the project be purchased at 0% interest over 25 years with annual payments of approximately $23,200.

RANDY STAKER there were no public comments.

WAYNE ANDERSEN moved to authorize the project, JIM LEMMON seconded the motion and after a roll call vote, all approved and the motion passed.
DIRECTOR TODD ADAMS asked why the amount the Uintah Transportation Special Service District of $1 million went down to $750,000?
TROY OSTLER the amount committed by the Uintah Transportation Special Service District was committed to the Highline, the Upper Canal, and the Rock Point Canal utilized their $250,000 and it was not anticipated they would do that.
RANDY CROZIER this is a very complicated project with a lot of different entities coming together. I applaud them for bringing this many entities together to move forward on this.

RANDY STAKER there were no public comments.

RANDY CROZIER moved to authorize the project as recommended, VICE-CHAIR KYLE STEPHENS seconded the motion and after a roll call vote, all approved and the motion passed.

RE417 Peoa South Bench Canal and Irrigation Company
Dave Lake, Sam Turpin, and Brian Deeter

SAM TURPIN we are experiencing a rise in cost for the project. We would like to make a special request the non-grant loan percentage increase from 85% to 90% because it would have a substantial impact on our company and the stakeholders. This equates to approximately $98,000 and would be very beneficial to us. Staff recommends the board reauthorize the project to provide 43.2% of the project cost, up to $1,660,000, and amend the purchase agreement to state the board will provide $1,000,000 to be returned at 0% interest over 30 years with annual payments of approximately $33,300; and in addition, the board commit $660,000 from the C&D fund to be returned at 0.1% interest over 30 years with annual payments of approximately $22,400.

VICE-CHAIR KYLE STEPHENS Sam called me right after the meeting and recognized that they missed an opportunity to have further discussions about cost. It did not come and thus it was not discussed. How many shareholders are there in the company?
SAM TURPIN there are approximately 30.

VICE-CHAIR KYLE STEPHENS so with that few, we can see the potential financial impact that Sam pointed out in his presentation.

RANDY CROZIER how does it work with the share per acre?
SAM TURPIN we have one share of water per 2 acres.

DAVE LAKE we have 428 shares for 880 acres. Those are spread out across those 30 shareholders.

RANDY STAKER there were no public comments

VICE-CHAIR STEPHENS moved to approve the reauthorization and committal of funds, NORMAN JOHNSON seconded the motion and after a roll call vote, all approved and the motion passed.
NEW APPLICATION

RE446 Provo River Water Users Association

CHAIR BLAINE IPSON this is a new project with no action required at this time but we will look forward to hearing more on this at a later date.

PLANNING REPORT
JAKE SERAGO provided the report on the Bear River Model
CHARLES HOLMGREN I appreciate the work on this study and the flood plane. It will impact a lot of people.

RANDY STAKER there no public comments

BEAR RIVER DEVELOPMENT REPORT
MARISA EGBERT provided the update on the Right of Way Acquisition for the Bear River Development.
CHARLES HOLMGREN the value of the property mentioned is interesting because the median home price in Utah is around $589,000 so at least the cost is under that. Pest control was mentioned as well, is that weeds or bugs?
MARISA EGBERT there are voles, so it's regarding rodents.
Staff recommends the board commit $975,000 from the Conservation and Development Fund, for a five-year contract with Weber Basin Water Conservancy District, for the maintenance of right-of-way/corridor properties for the Bear River Development Project.

RANDY STAKER there were no public comments.

CHARLES HOLMGREN moved to approve the commitment of funds, VICE-CHAIR KYLE STEPHENS seconded the motion and after a roll call vote, all approved and the motion passed.

LAKE POWELL PIPELINE REPORT
JOEL WILLIAMS gave the report.

RANDY STAKER there were no public comments on this report.

DIRECTORS REPORT
DIRECTOR TODD ADAMS apologize again for missing the Public Notice Website posting for the January Board Meeting and we will commit to stay on top of that. Regarding the Drought Reporting Committee, the Governor issued an executive order declaring a State of Emergency due to drought conditions. A reminder to Board Members to get your travel and reimbursement forms in so we can reimburse you. Thank you all for the virtual calls and meetings we have been having the last year. The next meeting is May 5 which will be virtual still. We look forward to seeing you all then.

CHAIR BLAINE IPSON I am grateful for the board members and staff for all the work they do.
JIM LEMMON moved to adjourn, VICE-CHAIR KYLE STEPHENS seconded the motion and after a roll call vote, all approved and the meeting was adjourned at 3:52 pm.