Agenda
Utah Board of Water Resources
Board Briefing Meeting
September 16, 2021
8:00 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
September 16, 2021
8:00 AM Briefing
10:00 AM Board Meeting
Department of Natural Resources Auditorium
1594 W. North Temple, Salt Lake City
Link to presentations and public comment form:
https://water.utah.gov/comments/
Livestream Links:
Briefing Meeting: https://youtu.be/lzJt-CCCJMy
Board Meeting: https://youtu.be/7m-FZKf7f74

APPROVAL OF MINUTES

<table>
<thead>
<tr>
<th>Proj. No.</th>
<th>Applicant</th>
<th>County</th>
<th>Proj. Manager</th>
</tr>
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<tbody>
<tr>
<td>RE450</td>
<td>Draper Irrigation Company</td>
<td>Salt Lake</td>
<td>Russell Hadley</td>
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FEASIBILITY REPORTS:

SPECIAL ITEMS:

RE449  Center Creek Water System (Withdrawal)  Wasatch  Marisa Egbert

NEW APPLICATIONS:

RE451  Salem City  Utah  Ben Maret
RE452  Lindon City  Utah  Marisa Egbert

PLANNING REPORT:
Cloud Seeding Report and Request for Funding - Jake Serago

BEAR RIVER DEVELOPMENT REPORT:
Marisa Egbert

LAKE POWELL PIPELINE REPORT:
Joel Williams

GUIDELINES FOR SECONDARY METER GRANT FUNDS:
Shalaine DeBernardi

WATER BANKING REPORT:
Update - Emily Lewis, Clyde Snow & Sessions (Consultant)
Draft water banking application and guidelines - Jaqueline Pacheco

TRANSPARENT WATER BILLING GRANTS:
Josh Zimmerman
DIRECTOR’S REPORT:

ADJOURNMENT
Funding Status  
September 16, 2021

<table>
<thead>
<tr>
<th>Projects Contracted This FY</th>
<th>$</th>
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<tbody>
<tr>
<td>1 Koosharem Irrigation Co</td>
<td>3,645,000 (Add'l Amt.)</td>
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<tr>
<td>2 Koosharem Irrigation Co</td>
<td>405,000 (Add'l Amt.)</td>
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<td>Total Funds Contracted</td>
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<tr>
<td>Funds Balance</td>
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Funds Available for Projects This FY $ 14,206,000

Projects with Funds Committed

| 1 Ashley Central Irrigation Co                               | $ 1,000,000 |
| 2 Washington County Flood Contr. Auth. (Warner)              | 212,000     |
| 3 Washington County Flood Contr. Auth. (Stucki)              | 88,400      |
| 4 West Milburn Irrigation Company                            | 335,000     |
| Total Funds Committed                                        | $ 1,635,000 |
| Funds Balance                                                 | 8,521,000   |

Projects Authorized

| 1 Sunrise & Bench Creek Irrigation Co                        | $ 580,000 |
| Total Funds Authorized                                       | $ 580,000 |
| Remaining Funds Available                                    | $ 7,941,000 |

* To be presented at Board Meeting
** Dam Safety Projects
## BOARD OF WATER RESOURCES

### CITIES WATER LOAN FUND

#### Funding Status

**September 16, 2021**

Funds Available for Projects This FY $ 7,761,000

<table>
<thead>
<tr>
<th>Bonds Closed This FY</th>
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1 None

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<tr>
<th>Total Bonds Closed</th>
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<td>$ 7,761,000</td>
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<table>
<thead>
<tr>
<th>Projects with Funds Committed</th>
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1 Monroe City RL584 $ 187,000 06/20/19
2 Herriman City RL588 **Grant** $ 75,000 08/05/21

<table>
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<tr>
<th>Total Funds Committed</th>
<th>$ 262,000</th>
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<td>$ 7,499,000</td>
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<th>Projects Authorized</th>
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1 Millville City RL587 $ 1,598,000 12/05/19

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<th>Total Funds Authorized</th>
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<tr>
<td>Remaining Funds Available (End of year balance if all listed projects were fully paid)</td>
<td>$ 5,901,000</td>
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* To be presented at Board Meeting
Funding Status  
September 16, 2021

Funds Available for Projects This FY  $ 98,628,000

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<td>Total Funds Contracted/Closed</td>
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<tr>
<td>Funds Balance</td>
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<th>Projects with Funds Committed</th>
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<tbody>
<tr>
<td>1 Draper Irrigation Company</td>
<td>RE447</td>
</tr>
<tr>
<td>2 Muddy Creek Irrigation Co</td>
<td>RE436</td>
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<tr>
<td>Total Funds Committed</td>
<td>$ 2,253,000</td>
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<tr>
<td>Funds Balance</td>
<td>$ 96,375,000</td>
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<table>
<thead>
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<th>Projects Authorized</th>
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<tbody>
<tr>
<td>1 Box Elder Cnty &amp; Perry City Flood Control Dist</td>
<td>RE369</td>
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<tr>
<td>* 2 Draper Irrigation Co</td>
<td>RE450</td>
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<tr>
<td>3 Henefer Town</td>
<td>RE431</td>
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<td>4 Midway Irrigation Company</td>
<td>RE438</td>
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<tr>
<td>5 Nibley Blacksmith Fork Irrigation Co</td>
<td>RE440</td>
</tr>
<tr>
<td>6 Provo City</td>
<td>RE441</td>
</tr>
<tr>
<td>7 Provo River Water Users Association</td>
<td>RE446</td>
</tr>
<tr>
<td>8 Settlement Canyon Irrigation Co (Phase 2)</td>
<td>RE240R2</td>
</tr>
<tr>
<td>9 Summit Creek Irrigation and Canal Co (Phase 4)</td>
<td>RE308</td>
</tr>
<tr>
<td>10 Veyo Culinary Water Association</td>
<td>RE445</td>
</tr>
<tr>
<td>11 Weber Basin WCD (Phase 5+)</td>
<td>RE225R5</td>
</tr>
<tr>
<td>12 Weber-Box Elder Cons Dist</td>
<td>RE400</td>
</tr>
<tr>
<td>13 Willow Creek Irrigation Company</td>
<td>RE444</td>
</tr>
<tr>
<td>14 Woodruff Irrigating Co</td>
<td>RE365</td>
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<td>Total Funds Authorized</td>
<td>$ 89,510,000</td>
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<tr>
<td>Remaining Funds Available (End of year balance if all listed projects were fully paid)</td>
<td>$ 6,865,000</td>
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* To be presented at Board Meeting  
** Dam Safety Projects
## ADDITIONAL FUTURE FUNDING NEEDS

<table>
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<tr>
<th>Sponsor</th>
<th>No.</th>
<th>Fund</th>
<th>Est. Board Cost</th>
<th>Total Cost</th>
<th>Date</th>
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<tbody>
<tr>
<td>1 Centerfield City</td>
<td>RE448</td>
<td>C&amp;D</td>
<td>$900,000</td>
<td>$1,059,000</td>
<td>05/27/21</td>
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<tr>
<td>2 Coyote &amp; East Fork Irrigation Co</td>
<td>RE411</td>
<td>RCF</td>
<td>722,500</td>
<td>1,700,000</td>
<td>08/09/18</td>
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<tr>
<td>3 Daniel Town</td>
<td>RL580</td>
<td>CWL</td>
<td>1,505,000</td>
<td>2,021,000</td>
<td>05/10/18</td>
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<tr>
<td>4 Ferron Canal &amp; Reservoir Co</td>
<td>RE320</td>
<td>C&amp;D</td>
<td>2,720,000</td>
<td>3,200,000</td>
<td>10/11/12</td>
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<tr>
<td>5 Glendale Irrigation Co</td>
<td>RE408</td>
<td>C&amp;D</td>
<td>1,109,000</td>
<td>1,305,000</td>
<td>02/08/18</td>
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<tr>
<td>6 Glenwood Town (NRCS Dam Safety Grant)</td>
<td>RC056</td>
<td>RCF</td>
<td>969,000</td>
<td>3,568,000</td>
<td>05/10/18</td>
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<tr>
<td>7 Hooper Irrigation Co (Press Irr, Ph 3+)</td>
<td>RE060R3</td>
<td>C&amp;D</td>
<td>11,033,000</td>
<td>12,980,000</td>
<td>01/25/02</td>
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<tr>
<td>8 Kane County WCD</td>
<td>RD828</td>
<td>C&amp;D</td>
<td>1,500,000</td>
<td>2,000,000</td>
<td>04/09/93</td>
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<tr>
<td>* 9 Lindon City</td>
<td>RE452</td>
<td>C&amp;D</td>
<td>1,354,000</td>
<td>2,708,000</td>
<td>08/24/21</td>
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<tr>
<td>10 Salem City</td>
<td>RE451</td>
<td>C&amp;D</td>
<td>5,500,000</td>
<td>7,400,000</td>
<td>08/19/21</td>
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<tr>
<td>11 Sanpete WCD (Narrows Dam)</td>
<td>RD377</td>
<td>C&amp;D</td>
<td>29,325,000</td>
<td>34,500,000</td>
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<tr>
<td>12 Uintah WCD</td>
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<td>C&amp;D</td>
<td>36,550,000</td>
<td>43,000,000</td>
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<td>13 Weber Basin WCD (Phase 5+)</td>
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<td>C&amp;D</td>
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<td>08/10/07</td>
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<tr>
<td>14 Weber Basin WCD</td>
<td>RE312</td>
<td>C&amp;D</td>
<td>85,000,000</td>
<td>100,000,000</td>
<td>04/16/12</td>
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<td>15 Wellsville-Mendon Conservation District</td>
<td>RE364</td>
<td>C&amp;D</td>
<td>680,000</td>
<td>800,000</td>
<td>03/18/15</td>
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Subtotal $185,868,000 $216,241,000

* New Application
Applicant: Draper Irrigation Company

Project Number: RE450
Fund: Conservation and Development Fund
Cost Estimate: $22,000,000

Application Received: 7/9/2021
Board Meeting Date: 9/16/2021

Board Member: Juliette Tennert
Project Manager: Russell Hadley

Project Summary: The purpose of the project is to drill four shallow wells, install the Jordan Basin Water Reclamation Facility re-use pump station, the Fort Street pump station upgrade, and almost 12,000 feet of piping necessary to mix their share of the Jordan Basin Water Reclamation Facility effluent for use as additional secondary water.

Recommendation: Staff recommends the board authorize 85% of the project cost up to $18,700,000, and that the project be purchased at 1% interest over 25 years with annual payments of approximately $849,100.

Project Contacts:

President: Ryan Daw
12421 E. 800 E.
Draper, UT 84020
801-916-9111

Secretary: Dale Smith
13089 S. Ptarmigan Gate Road
Draper, UT 84020
801-641-8988

Engineer: Jon Oldham
Bowen Collins & Assoc.
154 E. 14075 S.
Draper, UT 84020
801-495-2224
Location
The proposed project is located in Draper and Bluffdale in Salt Lake County.

Introduction & Background
Draper Irrigation Company serves water to approximately 8,300 culinary and 3,260 secondary irrigation connections in Draper City and nearby areas. Water is obtained from runoff and springs in nearby drainages. The water is used primarily to supply the culinary water connections, with any excess 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. At times during the irrigation season the quality of Utah Lake water diminishes.

The applicant has received funding from the board on five previous occasions: in 1988 for improvements to its culinary water system; in 1993 to install the secondary irrigation system; once in 2019 for the installation of nearly 2,100 secondary water meters that will be installed over the next two years, and again in 2019 to install 2,200 feet of pipeline to deliver reuse water to the secondary system; and finally in 2021 for the installation of piping and meter boxes to serve a residential area with secondary water. Repayments for the two earliest projects have been completed.

Existing Conditions & Problems
The applicant recently completed a Water Rights Master Plan, which showed a shortage of secondary irrigation water supply before its anticipated service area build-out. The current projects to install secondary water meters are anticipated to result in the reduction in use of over 1,000 acre-feet, which can be used for future growth. However, additional water is still needed.

The existing irrigation water from Utah Lake via the Jordan River and East Jordan Canal is subject to algal blooms and a variety of suspended solids including sediment, snails, worms, and seeds. Draper Irrigation Company water rights through this conveyance system are secondary rights, meaning they are first to be cut off in a drought year, which happens about once every 10 years.

As part of the Central Utah Project Completion Act, 18,000 acre-feet of reuse water is required to be utilized. Central Utah Water Conservancy District (CUWCD), along with Jordan Valley Water Conservancy District (JVWCD), Bluffdale City, and Draper Irrigation Company, are proposing a project to utilize treated water from the Jordan Basin Water Reclamation Facility (JBWRF) in Draper Irrigation and Bluffdale City’s respective secondary irrigation systems. This would include building a pump station and drilling several shallow wells near the JBWRF site to provide an acceptable quality of secondary water (approximately 1 to 1 ratio of reuse water and well water).

Each respective entity will be responsible for constructing the facilities necessary to transport its share of project water to its system. Over 19,200 feet of pipe is needed in order to transport the applicant’s share from the treatment plant to its Fort Street booster station, which can boost the water pressure for use in the applicant’s upper pressure zone. The booster station will also
need to be upgraded in order to fully utilize the new water source. The applicant has already installed approximately 7,900 feet of the needed pipeline, utilizing around $2 million of its own funds.

Proposed Project
The applicant is requesting financial assistance from the board to install approximately 12,000 feet of pipeline, drill 4 shallow wells, install the JBWRF re-use pump station, and upgrade the Fort Street pump station to mix their share of the JBWRF effluent for reuse as additional secondary water. This will allow them to utilize their portion of the effluent as reuse water towards meeting the Central Utah Project Completion Act reuse requirement.

Benefits
The proposed overall project will enable the applicant to use up to approximately 2,600 acre-feet of reuse water from the Jordan Basin Water Reclamation Facility in its secondary irrigation system. This, along with the applicant’s own water rights tied to the proposed shallow wells and Utah Lake, is expected to provide sufficient secondary water through service area build-out, and provide a more resilient, drought-resistant system. The effluent water obtained from JBWRF will be higher quality than the water currently obtained from Utah Lake and be free from solids, including algae, snails, sediment, worms, seeds, and debris.

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>
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<td>Mobilization</td>
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<td>LS</td>
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<td>$900,000</td>
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<td>2</td>
<td>Fort Street Pump Station Upgrades</td>
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<td>LS</td>
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<td>5,800,000</td>
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<td>Test Well</td>
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<td>Shallow Wells</td>
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<td>EA</td>
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<td>1,400,000</td>
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<td>6</td>
<td>16” Pipeline from JBWRF</td>
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<td>LF</td>
<td>200</td>
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<td>500,000</td>
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<td>LF</td>
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<td>Design &amp; Construction Engineering</td>
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<td>Legal and Administrative</td>
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Cost Sharing & Repayment
The recommended cost sharing and repayment are:

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<th>Cost Sharing</th>
<th>% of Total</th>
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<td>Board of Water Resources</td>
<td>$18,700,000</td>
<td>85%</td>
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<td>Applicant</td>
<td>3,300,000</td>
<td>15%</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$22,000,000</strong></td>
<td><strong>100%</strong></td>
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Staff recommends the board authorize 85% of the project cost up to $18,700,000, and that the project be purchased at 1% interest over 25 years with annual payments of approximately $849,100.

Financial Feasibility
The board’s affordability guideline suggests Draper residents could pay up to $81.43 per month for all water. The current average monthly culinary water bill is approximately $47 and secondary irrigation bill is about $27. Average 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 $849,100, divided among the 8,300 total culinary connections, equals over $8.52 per month per connection. The applicant is planning to raise culinary rates by $10 per month to cover payments for this project. The resulting new average culinary monthly water bill of about $100 is well over the board’s affordability guideline.

Economic Feasibility
The project is economically feasible if the present and future costs of the project are less than the costs of the next best alternative, which results in a benefit/cost ratio greater than 1. The next best alternative to the project is to lease an additional 3,414 acre-feet of culinary water from JVWCD. As of 2018, the cost of this water is $637.64/acre-foot/year and is expected to increase by 3% to 4% per year into the future. This water is take or pay, and additional water would need to be leased well in advance of when the applicant actually needs the water. When all costs of the project, and of the next best alternative, are discounted using a discount rate of 7% and a 30-year project life, the benefit/cost ratio is 1.12.

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. Water rights tied to the secondary irrigation system that the board is taking title to include 57-3410 for 801.46 acre-feet of water from Corner Canyon and Willow Creek and Water Rights 57-10180, -10181 and -10269 for 4,725.85 acre-feet that can be diverted from the Jordan River or future shallow wells.

Up to 4,725.86 acre-feet of the applicant’s water, as well as the water from the treatment plant, will be used in the proposed reuse project. The reuse water rights are in the name of the Bureau of Reclamation and cannot be transferred to the board.
Easements
The proposed pipeline will cross over the East Jordan Canal and under the I-15 Highway. The applicant states all easements can be obtained.

Environmental
Environmental studies have been done for the existing installed pipelines, and are in process for the proposed remaining work.

Water Conservation
Once the overall project is completed, the applicant will be using up to 2,600 acre-feet of reuse water.

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. Obtain approval of final plans and specifications from the Division of Water Resources.
5. Obtain letters of support from all water entities partnering with the project.
Draper Irrigation Company
Reuse Pipeline Project
Salt Lake County

Bangerter Highway

Jordan Basin Water Reclamation Facility

Fort Street Booster Station

Project Location

Draper Irrigation Company
Reuse Pipeline Project
Salt Lake County
Applicant: Center Creek Water System

Project Number: RE449
Fund: Conservation and Development Fund

Application Received: 5/27/2021
Board Meeting Date: 9/16/2021

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.

Summary
In May 2021, the applicant requested financial assistance from the board to install approximately 13,600 feet of pipe from their water source, and a filtration facility for drinking water.

The company has since indicated that they are exploring other options and have asked to have their funding application withdrawn.

Staff therefore recommends the application be withdrawn from further consideration by the board.
Applicant: Salem City

Project Number: RE451
Fund: Conservation and Development Fund
Cost Estimate: $7,400,000

Application Received: 8/19/2021
Board Meeting Date: 9/16/2021

Board Member: Wayne Andersen
Project Manager: Ben Marett

Project Contacts:
Mayor: Kurt Christensen  
30 W. 100 S.  
Salem, UT 84653  
801-423-2770  

City Manager/Engineer: Bruce Ward  
30 W. 100 S.  
Salem, UT 84653  
801-423-2770  

Engineer: Greg Thomas - Hansen, Allen & Luce  
859 W. South Jordan Pkwy Ste. 200  
South Jordan, UT 84095  
801-918-0513  

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

Proposed Project
The applicant is requesting financial assistance from the board to storm drain and outfalls along with Salem Canal piping.
Applicant:  Lindon City

Project Number:  RE452
Fund:  Conservation and Development Fund
Cost Estimate:  $2,708,000

Application Received:  8/24/2021
Board Meeting Date:  9/16/2021

Board Member:  Wayne Andersen
Project Manager:  Marisa Egbert

Project Contacts:

Mayor:  Jeff Acerson
100 N. State St.
Lindon, UT 84042
(801)785-5043

Public Works Director:  Juan Gariddo
946 W. Center St.
Lindon, UT 84042
(801)785-5043

Engineer:  Ron Clegg, Clegg Consulting
319 E 750 N
Lindon, UT 84042
801-201-9921

Location
The proposed project is located in Lindon City in Utah County.

Proposed Project
The applicant is requesting financial assistance from the board to purchase and install secondary meters.

Water Rights
- Shares of multiple companies and Provo River Water Users Association
Planning Branch Report  
September 16, 2021  
Cloud Seeding

Staff recommends the board commit up to $200,000 for the 2020-2021 Operational Cloud Seeding Program, with a maximum state cost-share of 50 percent with local sponsors.

The Statewide cloud seeding program was successfully completed for the Winter of 2020-2021. A new program called the Book Cliffs was initiated to target the Tavaputs Plateau region. The local sponsor is a private property owner Range Creek Properties, LLC. Total program cost for UDWRe was $320,406.98. Local Sponsors contributed a total of $325,343.47. The Lower Colorado River Basin States contributed $151,145.00.

Due to the ongoing severe drought conditions, and the fact that a significant portion of the budgeted seeding hours remained at the end of March, some program sponsors elected to extend operations through April. Those programs included Northern and Central/Southern

No suspensions were instituted except for a week during the Six Creeks program. In mid-February avalanche warnings and forecasts were reviewed daily to avoid seeding during high avalanche risk. Seeding was suspended for the February 15-17 storm after which heavy snowfall triggered an avalanche in Little Cottonwood Canyon and the canyon road was closed for two days as crews worked to clear the road from avalanche debris.
Bear River Development Planning Report  
September 16, 2021  
Corridor Preservation/Right-of-Way Acquisition Update

Three properties have been purchased since the update in March 2021.

- **Parcel #1020**
  - Tax ID #01-141-0019
  - Residential
  - Lot size
    - 0.47 acres
  - House size
    - 2,556 square feet
  - Purchase type
    - Entire parcel
  - Appraised value and Purchase price
    - $535,000

- **Parcel #1054**
  - Tax ID #02-087-0001
  - Residential
  - Lot size
    - 0.56 acres
  - House size
    - 1,963 square feet
  - Purchase type
    - Entire parcel
  - Appraised value and Purchase price
    - $495,000
• Parcel #1024
  ▪ Tax ID #01-040-0011
  ▪ Agriculture
  ▪ Original lot size
    • 18.5 acres
  ▪ Purchase type
    • Partial – strip
    • 0.75 acre
  ▪ Appraised value and Purchase price
    • $43,100

Total Committed: $5,000,000
Total Spent to Date: $2,636,752

Presented by Marisa Egbert, Bear River Planning Manager
Lake Powell Pipeline Update
September 16, 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 coordination with Basin States
- Continued efforts on Public Education and Outreach
- Additional Permitting Efforts to be completed
  - Army Corps of Engineers 404 Permits and Utah 401 Certification
  - Fish and Wildlife Service Biological Opinion
  - Bureau of Reclamation Section 14 Agreement
- Project Timeline
  - Supplemental Draft EIS – Winter 2021
  - Final EIS – Summer 2022
  - Record of Decision – Summer/Fall 2022
  - Final Design and Financing Plan
  - Construction
- Contracts Update

Presented by Joel Williams, Assistant Director
Secondary Water Meter Grants
September 16, 2021

Background
The 2021 Utah Legislature passed Senate Bill 199, which amended existing water laws, including Utah Code 73-10-34, Secondary water metering. This amendment provided for grants to small secondary water suppliers. Highlights include the following:

- $2,000,000 available for grants
- Up to 50% of project costs
- Small secondary water suppliers
- Only available in first and second class counties

Proposed Board Guidelines:

1. The Utah Board of Water Resources will allocate up to $2 million in grants per year to small secondary water suppliers in first and second class counties for secondary meter projects.
2. A secondary meter project includes the purchase and installation of meters on existing commercial, industrial, institutional, or residential secondary water connections.
3. The grant will pay up to 50% of the secondary water supplier’s cost of the purchase and installation of secondary meters.
4. The secondary water supplier’s cost will be the total cost of the secondary meter project, minus any federal, state or local money allocated to pay for that project.
5. The Board will prioritize projects that provide service to 5,000 or fewer connections above larger suppliers.
6. The Board will prioritize projects for applicants that demonstrate the greatest need using the Board’s existing affordability guidelines.

Staff Recommendation
Staff recommends that the board adopt the guidelines, as written, for secondary water meter grants.

Presented by Shalaine DeBernardi, Project Funding Manager
INTRODUCTION:
This form is for eligible entities to apply to establish a Contract Water Bank under Utah Code Ann Title 73 Chapter 31 ("the Act").

The Acts promotes the development of market tools favorable to and controlled by local water users. Under the Act, qualifying leasing arrangements can be approved as a Water Bank. Approved Water Banks are granted statutory powers designed to facilitate efficient transfers of water amongst interested local users. Participation in a Water Bank is voluntary. The Board shall approve all Water Bank Applications that satisfy the criteria of the Act.

Once approved, Water Banks operate as independent entities with annual reporting requirements to the Board of Water Resources.

APPLICATION INSTRUCTIONS:
To apply, please:
(1) Complete this Contract Water Bank Application form
(2) Attach a service map, attorney’s opinion, and other supporting information
(3) Sign and date the application
(4) Email (preferred) or mail the completed application to:

Shalaine DeBernardi, Project Funding Manager
Utah Division of Water Resources
PO Box 146201
Salt Lake City, UT 84114
shalainedebernardi@utah.gov

CONTACT INFORMATION:

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<tr>
<th>Water Bank Applicant</th>
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PROJECT INFORMATION:
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<th>Count(ies) Where Water Bank is Located:</th>
<th>Type of Water Bank (ground or surface water):</th>
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<td>Dates of Water Bank Operation:</td>
<td>Season of Water Bank Operation:</td>
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Water Bank Participants/Contracting Parties:

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<th>Narrative Description of the Water Bank Service Area (map to be attached):</th>
<th>Participating Water Rights and Volume:</th>
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**CONTRACT SUMMARY:** A narrative description of the leasing arrangement and other key terms agreed to by the parties in the Water Bank contract. (Contract to be attached)

A description of how the contract water bank's governing body will be structured and operate.

A description for how water leases are to be administered.

Terms governing how the parties are going to monitor and account for water leased through the bank.
Provisions addressing annual Board of Water Resources Reporting.

Criteria for Participation of Non-Public Entities (if any):

Procedures for Termination, Dissolution, or Revocation of the Water Bank

Where the public may locate information on when the Water Bank Contract will be on the Agenda of the Applicant for a public hearing.
**POLICY REGARDING ADMINISTRATIVE FEE:**

Describe policy for the admin fee.

**ACKNOWLEDGEMENT AND SIGNATURE:**

By signing and submitting this application, you acknowledge that you:

1. Are authorized to apply to be a Contract Water Bank on behalf of the Applicant.
2. Are a qualified applicant and accept the policies and conditions enumerated therein and above.
3. Request assistance in applying to be approved as a Contract Water Bank.

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<th>Name of Authorized Agent</th>
<th>Date</th>
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**TO BE COMPLETED BY THE MEMBER OF THE BOARD OF WATER RESOURCES ASSIGNED TO AREA:**

I have reviewed this application and forward it to staff of the Division of Water Resources to prepare a feasibility report.

Comments (if any):

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<th>Board Member</th>
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ATTORNEY OPINION

Provide the Board of Water Resources a written legal opinion that the Application complies with Utah Code Title 73 Chapter 31 Section 302 governing the Contract Water Bank Applications. In particular, the Attorney’s Opinion should confirm the Application meets and provides the following criteria.

1) the name of the contract water bank;
2) the mailing address for the contract water bank;
3) the proposed service area map for the contract water bank;
4) a description of how the contract water bank’s governing body will be structured and operate;
5) a description of how water delivery requests and loaned water rights are to be administered;
6) criteria for the participation, if any, of non-public entities;
7) a copy of the Water Bank Contract;
8) direction on where to find information as to when the Water Bank Contract is on the agenda of public meeting of the Applicant;
9) whether the contract water bank will accept deposits of surface water rights or groundwater rights;
10) the process the Contract Water Bank will follow if the contract water bank terminates, dissolves, or the board revokes the contract water bank’s approval to operate pursuant to this chapter, including how the contract water bank will return banked water rights to depositors and how the contract water bank will return any amounts owing to depositors.

WATER BANK CONTRACT

Include a copy of the contract, provided that a public entity may redact any information that is private, controlled, protected, or otherwise restricted under Title 63G, Chapter 2, Government Records Access and Management Act.
# Transparent Water Billing Grants

**September 16, 2021**

**Background**

An outcome of the 2019 Legislative session was funding of $2,154,000, appropriated out of the restricted account, to DWR to implement a statewide transparent water billing program as a water conservation tool.

- $2,000,000 remain available from the C&D Restricted Fund
- Savings of 5–18% estimated for projects
- Pilot projects would provide data for efforts invested, people reached, and people taking action.
- Pilot studies will enable categorization of what tools are effective and reduce water use.

**Current Pilot Project Application**

Staff are currently reviewing a proposal from Syracuse City that focuses on education and engagement with the 9,000 connections in their service area. An online portal is proposed to be developed, and usership will be tracked. This technology enables seeing which outreach methods increase usership, and which methods show a downward trend in water use. This pilot project will immediately benefit Syracuse City and DWR with trackable action items and an organized database to analyze. Proposed is an 85/15 cost share with the board providing $55,000 and Syracuse City $10,000 with a total cost of $65,000.

**Pilot Project Guidelines**

- **Flexible and adaptable** - so any entity could incorporate it within their system
- **Timely** - access to water use data as frequently as the system's technology will allow.
- **Understandable** - use measures that people can relate to and specify the measure - e.g. use gallons rather than CFS, acre-feet, or other measures that lay-people don't typically relate to.
- **Visually engaging** - utilizes charts, graphs, trendlines, and graphics to make it more visually appealing and easy to understand.
- **Social norming** - compare to similar water users in their area.
- **Recommended use information** - What does an average lot of their size typically require?
- **Financial impact** - show how much they could save by only using what they need or highlight how much water they are using in the higher billing tiers.
- **Educational** - include information on Utah Water Savers, Smart Irrigation Controllers, Localscapes, Drip irrigation techniques, etc to give them ideas on how they could save water.

Applications will be reviewed on a case by case basis and selected based on the potential water use reductions, and utilizing the best technology available to inform consumers of their water use. Categorizing and tracking are vital to pilot project success and will also be part of the approval process.

**Staff Recommendation**

Staff recommends that the board pre-approve grants for pilot projects for transparent water billing. Each grant provided will pay up to 85% of the project costs, and the total grants will not exceed $2,000,000.

**Presented by Josh Zimmerman, Water Conservation Coordinator**
CHAIR BLAINE IPSON called the meeting to order at 10 am. All board members are present with the exception of Randy Crozier. DIRECTOR TODD ADAMS Lindsay Russell is on leave today so Ati Vainuku is filling in. All others present were announced.

CHAIR BLAINE IPSON there has been some moisture in the state over the last month. There have been areas in the state where flooding has occurred as well. We do need continued moisture in the state and the best thing we can hope for is a very wet winter.

CHARLES HOLMGREN I was off on one of the numbers I gave in the report that was supposed to state $100 not $10,000 on page 5 of the briefing minutes.

CHAIR BLAINE IPSON we will have a report on the drought from Candice and then we will move into the project reports.
PROJECT REPORTS
FEASIBILITY REPORTS

RE444 Willow Creek Irrigation Company
BEN MARETT the purpose of the project is to install flow meters on both secondary and agricultural connections within the company’s service area. They have seen people overusing water and this project will help them alleviate that concern. They are expecting to save around 280 acre feet of water annually which they intend to repurpose.
Staff recommends the board authorize 85% of the project cost, up to $315,500, and that the project be purchased at 1% interest over 15 years with annual payments of approximately $22,800.

CHAIR BLAINE IPSON will representatives from the irrigation company be present at the meeting?
BEN MARETT yes, they will be in person and also virtual.

CHAIR BLAINE IPSON its a combination of irrigation and AG users but mostly AG as far as percentage of acre-feet. They are saying that some have been over diverting but it seems like they might all be over diverting. I cannot make the motion but Jim Lemmon will make that motion.

SPECIAL ITEMS

RL588 Herriman City
BEN MARETT this is the first Bond Insurance Grant that I have ever seen so I will quickly describe what this is. This is a grant to the applicant so they can purchase bond insurance and the issuer will see the lower risk as it is insured and decrease the interest rate. The purpose of the project is to distribute pipeline, rehabilitate and install pump stations, build two two-million gallon water tanks, and install inter-developmental water connections. They have completed a few sections of this project already. The cost of the project is approximately $23 million and the bond insurance will decrease the interest rate by about .15%. Or about $450,000 in interest and fees.

SHALAINDE BEBERNDARDI we have done this in the past when interest rates are higher but it is a way to make the funds from the board go a lot further. The guidelines specify that they can provide up to 10% of the funds for these grants.

JULIETTE TENNERT when I first saw this, I thought it was more of a moral obligation that the money would be there, not necessarily that we would have to put that money out there for the insurance. I do like the idea of doing this for these larger projects because it helps us make the project happen for a small investment. I do struggle with competing with the private sector but I think in projects this large, this is a good thing to do.

DIRECTOR TODD ADAMS it was about 10 years ago that Dennis Strong (previous director) worked with the legislature to have more of these options.
SHALAINE DEBERNARDI another part of this that we have not seen in a few years but is interest rate buy-down. This is where we provide funds at either a 0 or very low interest rate and they would also get funds on the open market at a higher interest rate which would get them to the equivalent interest rate that the board might provide them anyway but they would not have to pay the full amount.

RD576, RD792 Davis & Weber Counties Canal Company
SHALAINE DEBERNARDI this project represents 2 different phases of a project, one in Kaysville and one in West Point. The repayments for these projects were set up differently; the payments started off small and got bigger every year. They were both done at 5% interest and both started off low enough that it did not pay the full amount of the interest owed. On project D674, the project was set up to be amortized over the last 8 years after 2020 based on whatever was owed. The payments listed have been paid but because of the deferred interest set aside, finance charged interest on the deferred interest. On this particular project (D674) they have not paid anything toward principal, just toward interest, so the remaining 8 payments would be over $1.3 million each. If we do not charge interest on the interest, the principal balance should be closer to $6.9 million and the remaining 8 payments should be about $975,000 dollars. There are emails and memos going back 15 or so years on this and we have been informed that if the board agrees to dismiss the interest charged on the interest, they can amend the agreement.

On D792, the balance is due in the final year instead of split up over 8 years. I will have slides in the full meeting to show this.

VICE-CHAIR KYLE STEPHENS I am prepared to make a motion on this and I am sure that this was not the original intent so I am supportive of this motion.

New Application
RE450 Draper Irrigation Company
CHAIR BLAINE IPSON no action is needed on this but they will be requesting assistance from the board for constructing a new pump station, wells, and waterlines.

JULIETTE TENNERT I am going to follow up with Russell on this project but will this be on the September meeting agenda or the October?

SHALAINE DEBERNARDI I have not heard from Russell on what he is planning so I am not certain.

CHAIR BLAINE IPSON the next agenda item will be a planning report from Jake Serago and then there will be a Lake Powell Pipeline report from Joel Williams. Emily Lewis will then give the water banking report and Director Todd Adams will give the Directors Report.

DIRECTOR TODD ADAMS there is an updated agenda with a new item (Water Horse Resources Litigation) on there to discuss.

WATER HORSE RESOURCES LITIGATION
MARTY BUSHMAN this is a matter where an entity out of Colorado, Water Horse Resources, filed an application to appropriate 55,000 acre feet of water out of the Green River in Utah. This was filed with
the Utah State Engineer back in January 2018 to be used at the Front Range of Colorado. The State of Colorado has not approved this water at any place of use and has also not agreed that this water will come out of their Colorado River apportionment. This does present some problems for Utah and the board. The state engineer denied the application and Water Horse filed a petition for judicial review in the 8th District Court for Daggett County. I am asking for the board to intervene given the unique interest the board has in this.

CHAIR BLAINE IPSON Marty has touched base with me and it sounds like Water Horse is trying to speed this process up.

MARTY BUSHMAN this was filed in January 2018 and by statute, Water Horse has to give notice to all the individuals and entities that protested the application and that did not come until May.

CHAIR BLAINE IPSON there was the question on whether or not we needed to call a special board meeting for this but the date for this board meeting was timely.

MARTY BUSHMAN the State was able to get Water Horse’s attorney to agree to an extension on the response time but we do still need to move quickly. We have a motion to intervene prepared and if the court grants that, we will file an answer. I will coordinate with Chairman Ipson on this as well but due to the timelines, it is difficult to get them to the entire board.

CHAIR BLAINE IPSON I appreciate Marty’s efforts on this and staying on top of these things in behalf of the board. We will need a motion and I would suggest Kyle do that.

VICE-CHAIR KYLE STEPHENS I would be happy to do that and if Marty could get the language for that motion, that would be helpful.

CHAIR BLAINE IPSON we will have this right after the Lake Powell Pipeline report.

STATUS OF FUNDS
JOEL WILLIAMS provided the Status of Funds to the board.
VICE CHAIR KYLE STEPHENS what is the status of the legislative consideration for the ARPA funds?
DIRECTOR TODD ADAMS there is still $100 million dollars still being discussed amidst several suggestions. We are getting the final rules on how it can be spent but it’s looking like the idea is to put it towards metering, agricultural water optimization, and water quality. Both myself and Director Brian Steed have been involved in these discussions. We got a letter from Riverton City on secondary metering and I will have Shalaine speak on that.

SHALAINE DEBERNARDI the board had committed almost $12 million to Riverton City for the metering needs with a return of 1% over 15 years. This will be done in phases and the repayment structure was set to begin after they had paid off some existing bonds. They would just pay the same amounts from the old bonds to the new bonds. Once that $2 million was set aside through SB199 in the last legislative
session, they felt that they should not have to borrow it if there is grant money available. They are requesting a modification and their thought process is clearly indicated by their attorney. I am not certain we would agree with everything in the letter, but we are getting a lot of questions on this grant funding. I am not coming forward with rules to adopt because we thought the legislation might be changed as written but it was not. We will be working with that and those will be brought to you at the next meeting but I would like some guidance from the board on a few items. The bill specifies that there is $2 million available, its grant funding, the grants can fund up to 50% of the project, and it’s for small systems which is an interesting definition because it is an entity supplies pressurized, secondary water to the end user of secondary water and A. is a city, town, or metro township or B. supplies 5000 or fewer connections. According to the law, any city, town, or metro township qualifies. I don’t know if you want to come up with a prioritizing system that focuses on the 5000 or fewer requirement or something else?

DIRECTOR TODD ADAMS When Candice and I were working with the legislature on this, they did want to help the smaller entities because they felt that the bigger ones had the ability to repay the costs but unfortunately, that’s not what it says. We have been in touch with the sponsor but it will likely not be changed until the next legislative session.

JULIETTE TENNERT I believe we should consider this question and the policy that Shalaine is talking about outside this specific case but I also feel that once the rules are established, if there is room to help entities like Riverton, I would be open to that. But I do recall this situation with Riverton and I know they were really looking forward to getting the meters put in and that they were paying off past bonds. And a second comment, I would like to help entities like Riverton but in terms of priority, I would prefer to support those systems with limited options.

DIRECTOR TODD ADAMS there are other options for these entities to go for funds as well so that is something to remember.

CHAIR BLAINE IPSON I agree with Juliette. We do need to leave the option in there but I think we should prioritize the smaller entities.

SHALAINE DEBERNARDI there was a request for a summary of funds the board has provided for secondary meters. So far, we have Payson City, Draper Irrigation Company, Riverton, Weber Basin Water Conservancy District, and Mountain Green Secondary Water Company. Midway Irrigation Company has also been authorized but it has not been committed or contracted yet.

DIRECTOR TODD ADAMS when you look at the specifics and look at the number of small secondary systems in class 1 and 2 counties, there are not many. We have mentioned that perhaps we can move to 3 and 4 class counties but thats not part of the classification.

DEPUTY DIRECTOR CANDICE HASENYAGER one thing that was discussed was the requirement of these 1st and 2nd class counties to have a secondary meter on a new connection, which was part of their intention. If the senator does make a change, it might be good for the board to adopt a rule that any new connections require a secondary meter.

DIRECTOR TODD ADAMS in the 2018-2019 legislative session, there was over $2 million dollars earmarked from the C&D fund for Transparent Water Billing that we have been working through some billing software companies. We do now have a billing company that is willing to work with us and we have begun the process of writing up a contract.
SHALAINE DEBERNARDI as we were discussing this, it was decided that the board would need to approve this as it is similar to contracts for Bear River Development and Lake Powell Pipeline. We just wanted the board to be aware that this is out there and we would like to ask if you want each of these brought to you when they come up or would you like to authorize us to take care of these contracts? As a previous example, we used to have to complete damn studies before the damn safety grants and the grant fund for that was 50% and we did not bring each of those from the board. We got a blanket approval that if an eligible application came through, they could receive the 50% funding.

DIRECTOR TODD ADAMS this would not be something decided in this meeting but it would be on a future meeting if you decide that this is what should be done.

VICE-CHAIR KYLE STEPHENS it would be my recommendation that we give staff the authority to do that.

NORM JOHNSON I think we should have a report on those but not necessarily each individual to be approved.

SHALAINE DEBERNARDI yes that would be a report similar to what is reported in properties in the Bear River Development.

WAYNE ANDERSEN most of these projects will be rather small due to the low number so I think you should be able to do that.

DIRECTOR TODD ADAMS yes, we will have that prepared for a future meeting. Moving forward, the Great Salt Lake hit a new all-time low on July 21st. Utah held its first Colorado River Authority meeting on July 30. They did a lot of the administrative components such as setting up electronic meetings and setting up budgets. We took some public comments and we will be having these meetings every month.

Darrin Bird has retired and last week was his final one at the Department. Nathan Schwebach has been selected to be the Deputy Director of the Department. Marcie McCartney in our Division has left the state and Kim Wells has been promoted to Nathan Schwebach’s previous position as communications director for the Department. Candice and I are working to get those two positions filled. Things are still very dry and we are working on helping those who are being most affected. We have yard signs as a part of our Slow the Flow campaign and would love for you to take one. We have a meeting on September 16th in SLC and the plan is to have a board tour in Blanding October 28 and then back to SLC for the December 9th meeting.

SHALAINE DEBERNARDI we just wanted some clarification because it was my understanding that everyone wanted to meet in person but there were some concerns about the actual tour and Norm had expressed that a virtual tour might be favorable. Marisa has volunteered to put something together and mentioned a hybrid of virtual and in-person tour. We just want to know what the board would like to do.

NORM JOHNSON due to distance and recent weather, we are down to 1-2 projects that I am aware of that we can get to in a reasonable period of time.

SHALAINE DEBERNARDI do you want the meeting to be in Blanding or Moab?

CHAIR BLAINE IPSON one of the big projects is Millsite Reservoir which is closer to us and might be closer to other things.

JULIETTE TENNERT we are a statewide board and I think it is beneficial for us to get off the Wasatch Front and see a project in another area. I would be open to some sort of hybrid as well but I want to be respectful to the time put into this by staff.
SHALAINE DEBERNARDI yes, I appreciate that. We can plan as long as projects are accessible. We do have staff go out often so getting video or photos of the projects would not be an issue if that is what is decided. Getting on a bus might be difficult but doable. Because Millsite is such a large project, I am assuming you would like that on the list of projects.

CHAIR BLAINE IPSON we have spent a lot of money on Millsite and I would like to see that. Muddy Creek is also close and I would also like to see that.

SHALAINE DEBERNARDI if we had hotels and a meeting site close to those sites, would that be something that is acceptable?

NORM JOHNSON we would certainly be off the Wasatch Front going to Millsite.

DIRECTOR TODD ADAMS we can work on this and have something together.

JULIETTE TENNERT I did want to report that I have an afternoon conflict for September 16 so if we could have a morning meeting that would be great.

NORMAN JOHNSON I will not be in attendance at the September meeting.

VICE-CHAIR KYLE STEPHENS I also have a conflict with a planned vacation.

DIRECTOR TODD ADAMS we can look at other times and dates but because we do have action items previously discussed, we will need to have a September meeting. Let us look at the 17th perhaps?

JAMES LEMMON why don’t we do a virtual meeting in September?

DIRECTOR TODD ADAMS we can look at that if the chair agrees? It sounds like we can do it in the morning and have a virtual component.

Kyle moved to close the meeting, Wayne seconded it, and all approved.
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 5, 2021
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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

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
Marty Bushman, Attorney
Ben Marett, Engineer
Steve Gregerson, Contracts Specialist
Carmen McDonald, Engineer Technician
Paul Gedge, AV specialist
Ati Vainuku, Office Specialist

OTHERS PRESENT:
Justun Edwards, Director of Public Works (Herriman City)
Jonathan Ward, Zions Public Finance on behalf of Herriman City
Clark Christensen, Board member (Willow Creek Irrigation Co.)
Tyler Blackburn, President (Willow Creek Irrigation Co.)
Jeffrey Beck, Secretary/Treasurer (Willow Creek Irrigation Co.)
Justin Atkinson, Project Manager (Sunrise Engineering)
Rick Smith, General Manager (Davis & Weber Counties Canal Co.)
Emily Lewis, Attorney
Lauren Pasternak, Attendee
James Chase Dreyfous Jr., Attendee
Jim Dreyfous, Attendee
John Dreyfous, Attendee
Adele Young, Attendee
SUMMARY OF BOARD ACTIONS
August 5, 2021

1. PAGE 1: The minutes from the March 17, 2021 meeting were approved. CHARLES HOLMGREN moved to approve the minutes, NORM JOHNSON seconded, and all approved.

2. PAGE 2: RE444 Willow Creek Irrigation Company – the board approved the project. JIM LEMMON moved to approve, NORM JOHNSON seconded the motion, and all approved.

3. PAGE 2: RL588 Herriman City - the board approved the grant. JULIETTE TENNERT moved to approve the new motion, WAYNE ANDERSEN seconded the motion, and all approved.

4. PAGE 3: RD674, RD792 Davis & Weber Counties Canal Company – the board approved the amendment. VICE-CHAIR KYLE STEPHENS moved to approve, JIM LEMMON seconded the motion and all approved.

5. PAGE 5: Water Horse Resources Litigation – the board approved the project. VICE-CHAIR KYLE STEPHENS moved to approve the authorization to intervene, WAYNE ANDERSEN seconded the motion, and all approved.

6. PAGE 5: NORM JOHNSON moved to adjourn the meeting, JIM LEMMON seconded the motion, all approved and the meeting ended.
CHAIR BLAINE IPSON called the meeting to order at 1 pm.
All board members present except Randy Crozier
DIRECTOR TODD ADAMS announced staff present.

APPROVAL OF MINUTES
CHAIR BLAINE IPSON are there any corrections to the minutes that need to be noted?
CHARLES HOLMGREN the minutes are factually correct but I made an error in stating Box Elder County
receiving $10,000 per person but it was actually $100 dollars per person on page 5 of the briefing
minutes.
CHARLES HOLMGREN moved to approve the minutes, NORM JOHNSON seconded, and all in attendance
approved.

DROUGHT UPDATE
CANDICE HASENYAGER the state is still in need of about 15 inches of rain to make up for the drought
and we are currently at around 53% (2% drop in the last week) in our reservoirs around the state. We
are still in heavy drought and have been increasing outreach efforts to educate and get more people
involved in conserving water.

FEASIBILITY REPORTS
RE444 Willow Creek Irrigation Company
Jeffry Beck (secretary/treasurer) and Clark Christensen (board member) and Tyler Blackburn (president)
BEN MARETT they are hoping to install 130 (85 secondary and 45 agricultural) water meters with the
funding from this project. They supply agricultural water, secondary irrigation, and potable water. They
will ideally complete construction by spring of 2022 and they are expecting to save approximately 280
acre feet of water which will be reused in their system. The project cost is estimated to be $371,000.
Staff recommends the board authorize 85% of the project cost, up to $315,000, and that the project be
bought at 1% interest over 15 years with annual payments of approximately $22,800.
CLARK CHRISTENSEN we don’t have any metering right now so we do see this as a major savings within
our system.
JEFFRY BECK we do have a meter that measures all the delivery through the system that is supposed to
account for how much water is appropriated to each shareholder. These meters will have a 20-30% savings.
VICE-CHAIR KYLE STEPHENS what is the source of revenue for the repayment of the loan and will those
be increased?
JEFFRY BECK we began putting away money for the metering about 3 years ago. We have purchased and installed a few meters to make sure they will meet our needs and we think it will be beneficial.
NORM JOHNSON will there be some who will be shocked that they are using more water than they thought?
CLARK CHRISTENSEN it seems like a majority are happy with it.
JIM LEMMON moved to approve the project, NORM JOHNSON seconded the motion. All approved and the motion passed.

SPECIAL PROJECTS

RL588 Herriman City
Justun Edwards (director of public works) and Jonathan Ward (Zions Bank)
BEN MARETT the applicant is coming before the board to ask for a bond insurance grant which is essentially a grant by the board to purchase insurance for the bond to reduce the interest rate and issuance costs of the bond. The project has been split into 5 sections, 1 of which has already been completed. The total cost of the project is expected to cost approximately $23 million.
Staff recommends the board provide a grant of up to $75,000 to purchase bond insurance. This will reduce the interest rate by about 0.15%, from 2.49% to 2.34, and will save the city approximately $453,176 over the bond repayment period.
JUSTUN EDWARDS we appreciate the consideration from the board.
VICE-CHAIR KYLE STEPHENS when are the projected completion dates of the projects scheduled to begin next spring?
JUSTUN EDWARDS the East Herriman project will take around 12-16 months to build and the Zone 5 Pump Station will take approximately 8-10 months to construct.
JULIETTE TENNERT how long will the repayment period be with the bond?
JUSTUN EDWARDS it is a 20 year bond.
JULIETTE TENNERT moved to approve the grant, WAYNE ANDERSEN seconded the motion. All approved and the motion passed.

RD674, RD792 Davis & Weber Counties Canal Company
Rick Smith (general manager)
SHALAINE DEBERNARDI in the late 80’s, the company came to the board with a project that was funded in phases to build secondary irrigation systems. The funding for these projects in Kaysville and West Point City, started payments off low and increased them by approximately 6% every year; for example, 1992’s payment was $166,000 whereas last year’s payment was $958,000. The interest payment was set at 5 and the agreement stated that the last payments of the project would be amortized and although each project has different terms and numbers, there is a similar problem when it comes to finance. The Division of Finance has been charging interest on the deferred interest. When a payment didn’t cover the interest, that interest was set aside to be paid later but they charged 5% on that deferred interest in addition to the principal amount. According to the Division of Finance, there have been no payments towards principal made and thus they show the final payments being $1,370,000. We have documentation that shows that this was not the intent of the board and we have recalculated
those numbers and we believe the left over balance should be just over $6.9 million and the final repayments should be closer to $975,000.
The Division of Finance has agreed that if the board votes to amend these two agreements, they will modify their terms to match our calculations.
Staff recommends the board amend both purchase agreements to state that no interest will be charged on deferred interest. All other repayment terms will remain as contracted.
RICK SMITH we have been appreciate of the board for their help on projects. We are hoping to have those last few payments adjusted.
CHAIR BLAINE IPSON Rick said through the public comment forum that “There have been questions on these repayment schedules for years and we appreciate the coordination time and efforts of the DWR staff to investigate further and working with state financing. We continue to pay back said loans and these adjustments ensure we are not paying interest on deferred interest. We appreciate the board and their assistance over the decades that has been sought and received funding.”.
VICE-CHAIR KYLE STEPHENS do I need to declare a conflict of interest because I live in Kaysville? I am not on the board of this company.
DIRECTOR TODD ADAMS our attorney says there is no conflict.
VICE-CHAIR KYLE STEPHENS looking at the slide with the payments shows how compelling this situation really is.
VICE-CHAIR KYLE STEPHENS moved to approve the amended purchase agreements and JIM LEMMON seconded. All approved and the motion passed.

NEW APPLICATIONS
RE450 Draper Irrigation Company to be discussed at another meeting.

PLANNING REPORT
Given by JAKE SERAGO - Great Salt Lake Elevations
JULIETTE TENNERT would like the slides to be shared if possible.

PUBLIC COMMENTS
JOHN (JAKE) DREYFOUS I am a fifth generation lifelong, Utah resident. Like many Utahans, the drought implications on our waterways have left me terrified and predictions indicate climate change will make these warmer dryer conditions our new norm. Recently reaching historic lows, the Great Salt Lake’s elevations will continue to plummet throughout the coming months. This news sounds the alarm for countless Wasatch Front residents like myself. However, using taxpayer money, the DWR has bought up millions worth of land for the Bear River Development which would dam and divert more than 20% of the lake’s most significant water source. The Division has slashed statewide water conservation goals from 1% to 0.5% per year. Along with other western states, more than 50 Utah businesses have implored Governor Cox to increase reductions to 2%. Instead of funneling money into destroying northern Utah’s most iconic landscape, statewide initiatives to conserve water which could entirely negate the need for the massive Bear River Development should be priority number 1. While some conservation measures have successfully reduced water use throughout Utah, our taxpayer dollars should not facilitate a wasteful $2.9 billion dollar Bear River Development which we will never be able to
pay back. Paired with the effects of climate change, depletions from the development will lower the Great Salt Lakes levels by several more feet. The Bear River Development stands to hurt northern Utahans, not help us. Further diversion will expose vast dust laden lake beds sending toxic particulates in the air, worsening pollution throughout Salt Lake Valley. The $1.3 billion dollar economy surrounding the lake will disappear alongside the receding shorelines. Depletions will cripple thousands of acres of wetlands, killing unique habitat that millions of birds depend on during their annual migrations. I will end with a question: Do you want to be part of the generation who will render the Great Salt Lake unsalvageable? Are you willing to leave your children, willing to leave my future children behind to breathe in toxic air, wonder where the birds have gone, and dream of floating in the lake’s buoyant waters? Or, will we collaborate and ambitiously set out to preserve this unique ecosystem through common sense water conservation. Thank you.

CHAIR BLAINE IPSON thank you Jake.

ADELE YOUNG members of the board and audience. My name is Adele Connell Young. I am a long-time resident of Utah coming from four different generations of Pioneer stock on one side of the family and on the other side of the family, wonderful Irish Catholic people. I am simply here to ask one question. I think it is a question that you all have posed to your respective areas but I am asking that you ask it again to your respective areas with more “oomph”. As a retired Army Colonel, I am quite used to having goals from my generals that have been given to me that have been passed down on their behalf. Having a doctorate degree from the University of Utah, I am quite used to having been given goals that I had to meet. Now, each one of you have goals to have water conservancy plans. I believe that you yourselves have the goal of having a water conservancy plan. My simple, very basic request is to publish the plans of your areas. Who represents Jordan Valley? Juliette’s plan for Jordan Valley is superb and you should all take a look at it. As noted by Rachel Shilton from Utah State University, it is absolutely wonderful. So mine is just a simple request from private citizens such as myself from Stansbury Park to see that from every single area of Utah online. Thank you members of the Board.

CHAIR BLAINE IPSON we will now hear the Lake Powell Pipeline report

LAKE POWELL PIPELINE REPORT

JOEL WILLIAMS gave the LPP report and presented a tentative schedule.

WATER HORSE RESOURCES LITIGATION

CHAIR BLAINE IPSON we will now hear from MARTY BUSHMAN on the water rights application that was filed from an entity in Colorado.

MARTIN (MARTY) BUSHMAN Water Horse Resources is a limited liability company out of Colorado that filed a petition to appropriate 55,000 acre feet of water from the state of Utah along the Green River. The application was filed with the Utah State Engineer’s office for the water to be piped to the front range of Colorado for consumptive municipal use. Several entities including the Board and Division of Water Resources protested and in November 17, 2020 the application was denied. On January 26, 2021,
Water Horse filed a petition for judicial review in the 8th District Court of Daggett County challenging the State Engineer's office for the denial. This application presents some significant interest for the state. If approved, the water would arguably come out of Utah’s Upper Colorado River basin. The State of Colorado has not agreed that it would come under their water rights and they have not yet approved the places of use or purposes of use. This leaves Utah in a rather vulnerable position if this petition or application were to be granted because that would be 55,000 acre feet of water that would not be available to the citizens of Utah. The Board of Water Resources has unique responsibilities in regards to interstate waters because of the water rights owned by the board. An appropriation of this size could present a significant threat to those water rights especially in times of shortage, sorting through who gets curtailed and who doesn’t. I am recommending that the Board of Water Resources intervene in the judicial proceeding with Water Horse Resources and authorize the Attorney General’s office to file the appropriate documents in court to make that so.

VICE-CHAIR KYLE STEPHENS just a clarification, is the correct name Water Horse Reserves or Water Horse Resources?

MARTY BUSHMAN Water Horse Reserves, LLC. Correction, Water Horse Resources, LLC.

VICE-CHAIR KYLE STEPHENS moved to approve the board intervene in the Water Horse Resources litigation and authorize the Attorney General’s office to seek intervention in the board’s behalf and represent it through the course of the litigation. WAYNE ANDERSEN seconded the motion and all approved thus the motion passed.

WATER BANKING REPORT
EMILY LEWIS gave an update on where they were and what progress had been made in the program.

DIRECTOR’S REPORT
DIRECTOR TODD ADAMS in the briefing meeting we discussed staff changes, drought, the board tour, etc. We have talked heavily about the drought and we have had a lot of press on this subject. We are working with legislators regarding water conservation legislation in the next session coming up in 6-7 months. We are grateful for the board members and all that they do as well as the staff at the division and all they are working on. It’s been wonderful to be a part of a team that is working so hard for the citizens of Utah.

CHAIR BLAINE IPSON if there are no further comments, we will entertain a motion to adjourn.

NORM JOHNSON moved to adjourn, JIM LEMMON seconded the motion and all approved. The meeting ended at 2:48 pm.