2021 Board Meeting Schedule

December 7 – Salt Lake City
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
Agenda
Utah Board of Water Resources
Board Meeting
December 7, 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/LSblj2Z2FkQ
Board Meeting:  https://youtu.be/JY3HbtQ_ZSk

APPROVAL OF MINUTES

NRCS SNOW REPORT:
David Eiriksson

<table>
<thead>
<tr>
<th>Proj. No.</th>
<th>Applicant</th>
<th>County</th>
<th>Proj. Manager</th>
</tr>
</thead>
<tbody>
<tr>
<td>RE454</td>
<td>West Cache Irrigation Company</td>
<td>Cache</td>
<td>Russell Hadley</td>
</tr>
</tbody>
</table>

FEASIBILITY REPORTS:

COMMITTAL OF FUNDS:

<table>
<thead>
<tr>
<th>Proj. No.</th>
<th>Applicant</th>
<th>County</th>
<th>Proj. Manager</th>
</tr>
</thead>
<tbody>
<tr>
<td>RE444</td>
<td>Willow Creek Irrigation Company</td>
<td>Sanpete</td>
<td>Ben Marett</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>RE453</td>
<td>Huntsville South Bench Irrigation Company (Auth/COF)</td>
<td>Weber</td>
<td>Ben Marett</td>
</tr>
<tr>
<td>RL585</td>
<td>Powder Mountain WSID (Add Funds)</td>
<td>Weber</td>
<td>Ben Marett</td>
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</tbody>
</table>

WATER RESOURCES PLAN UPDATE:
Rachel Shilton

LAKE POWELL PIPELINE REPORT:
Joel Williams

WATER BANKING REPORT:
Update - Emily Lewis, Clyde Snow & Sessions (Consultant)
Approval of contract water bank application and guidelines - Jaqueline Pacheco

ARPA SECONDARY METER GRANT GUIDELINES:
Joel Williams

INTERSTATE STREAMS:
Vote to ratify Governor Cox’s appointments of Director Hasenyager:
Bear River Commissioner
Colorado River Alternate Commissioner

DIRECTOR’S REPORT:
Candice Hasenyager

ELECTION OF 2022 BOARD OF WATER RESOURCES OFFICERS:

ADJOURNMENT
Funding Status
December 7, 2021

Funds Available for Projects This FY $14,206,000

<table>
<thead>
<tr>
<th>Projects Contracted This FY</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Consolidated Sevier Bridge Res Co</td>
</tr>
<tr>
<td>RC023</td>
</tr>
<tr>
<td>**Grant</td>
</tr>
<tr>
<td>$1,000,000</td>
</tr>
<tr>
<td>(Add'l Amt.)</td>
</tr>
<tr>
<td>2 Koosharem Irrigation Co</td>
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<tr>
<td>RC058</td>
</tr>
<tr>
<td>**Grant</td>
</tr>
<tr>
<td>3,645,000</td>
</tr>
<tr>
<td>(Add'l Amt.)</td>
</tr>
<tr>
<td>3 Koosharem Irrigation Co</td>
</tr>
<tr>
<td>RC058</td>
</tr>
<tr>
<td>**Loan</td>
</tr>
<tr>
<td>405,000</td>
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<tr>
<td>(Add'l Amt.)</td>
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<tr>
<td>Total Funds Contracted</td>
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<tr>
<td>$5,050,000</td>
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<tr>
<td>Funds Balance</td>
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<tr>
<td>$9,156,000</td>
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<table>
<thead>
<tr>
<th>Projects with Funds Committed</th>
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</thead>
<tbody>
<tr>
<td>1 Ashley Central Irrigation Co</td>
</tr>
<tr>
<td>RE427</td>
</tr>
<tr>
<td>$1,000,000</td>
</tr>
<tr>
<td>08/06/20</td>
</tr>
<tr>
<td>* 2 Huntsville South Bench Canal Co</td>
</tr>
<tr>
<td>RE453</td>
</tr>
<tr>
<td>224,500</td>
</tr>
<tr>
<td>08/06/20</td>
</tr>
<tr>
<td>3 Nibley Blacksmith Fork Irrigation Co</td>
</tr>
<tr>
<td>RE440</td>
</tr>
<tr>
<td>768,000</td>
</tr>
<tr>
<td>08/06/20</td>
</tr>
<tr>
<td>4 Washington County Flood Contr. Auth. (Warner)</td>
</tr>
<tr>
<td>RC049</td>
</tr>
<tr>
<td>**Grant</td>
</tr>
<tr>
<td>212,000</td>
</tr>
<tr>
<td>03/22/17</td>
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<tr>
<td>5 Washington County Flood Contr. Auth. (Stucki)</td>
</tr>
<tr>
<td>RC050</td>
</tr>
<tr>
<td>**Grant</td>
</tr>
<tr>
<td>88,400</td>
</tr>
<tr>
<td>03/22/17</td>
</tr>
<tr>
<td>6 West Milburn Irrigation Company</td>
</tr>
<tr>
<td>RE442</td>
</tr>
<tr>
<td>335,000</td>
</tr>
<tr>
<td>10/08/20</td>
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<tr>
<td>Total Funds Committed</td>
</tr>
<tr>
<td>$2,628,000</td>
</tr>
<tr>
<td>Funds Balance</td>
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<tr>
<td>$6,528,000</td>
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<table>
<thead>
<tr>
<th>Projects Authorized</th>
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</thead>
<tbody>
<tr>
<td>1 Sunrise &amp; Bench Creek Irrigation Co</td>
</tr>
<tr>
<td>RE443</td>
</tr>
<tr>
<td>580,000</td>
</tr>
<tr>
<td>01/28/21</td>
</tr>
<tr>
<td>* 2 West Cache Irrigation Co</td>
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<tr>
<td>RE454</td>
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<tr>
<td>940,000</td>
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<tr>
<td>Total Funds Authorized</td>
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<tr>
<td>$1,520,000</td>
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<tr>
<td>Remaining Funds Available</td>
</tr>
<tr>
<td>(End of year balance if all listed projects were fully paid)</td>
</tr>
<tr>
<td>$5,008,000</td>
</tr>
</tbody>
</table>

* To be presented at Board Meeting
** Dam Safety Projects
Funds Available for Projects This FY $ 7,761,000

Bonds Closed This FY

1 Herriman City RL588 **Grant $ 75,000

Total Bonds Closed $ 75,000
Funds Balance $ 7,686,000

Projects with Funds Committed

1 Monroe City RL584 $ 187,000 06/20/19
* 2 Powder Mountain Water & Sewer Imp Dist RL585 1,592,000 (Add'l Amt)

Total Funds Committed $ 1,779,000
Funds Balance $ 5,907,000

Projects Authorized

1 Millville City RL587 $ 1,598,000 12/05/19

Total Funds Authorized $ 1,598,000
Remaining Funds Available (End of year balance if all listed projects were fully paid) $ 4,309,000

* To be presented at Board Meeting
### Funding Status
December 7, 2021

<table>
<thead>
<tr>
<th>Funds Available for Projects This FY</th>
<th>$ 98,628,000</th>
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### Projects Contracted/Bonds Closed This FY

<table>
<thead>
<tr>
<th>Project Name</th>
<th>RE Code</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>1 Draper Irrigation Company</td>
<td>RE447</td>
<td>$1,402,500</td>
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<tr>
<td>2 Muddy Creek Irrigation Co</td>
<td>RE436</td>
<td>$850,000</td>
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Total Funds Contracted/Closed $2,253,000
Funds Balance $96,375,000

### Projects with Funds Committed

<table>
<thead>
<tr>
<th>Project Name</th>
<th>RE Code</th>
<th>Amount</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Willow Creek Irrigation Company</td>
<td>RE444</td>
<td>$315,500</td>
<td>08/05/21</td>
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</table>

Total Funds Committed $316,000
Funds Balance $96,059,000

### Projects Authorized

<table>
<thead>
<tr>
<th>Project Name</th>
<th>RE Code</th>
<th>Amount</th>
<th>Date</th>
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</thead>
<tbody>
<tr>
<td>1 Box Elder Cnty &amp; Perry City Flood Control Dist</td>
<td>RE369</td>
<td>$660,000</td>
<td>06/18/15</td>
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<tr>
<td>2 Draper Irrigation Co</td>
<td>RE450</td>
<td>18,700,000</td>
<td>09/16/21</td>
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<tr>
<td>3 Henefer Town</td>
<td>RE431</td>
<td>1,496,000</td>
<td>01/23/20</td>
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<tr>
<td>4 Midway Irrigation Company</td>
<td>RE438</td>
<td>490,000</td>
<td>06/17/21</td>
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<tr>
<td>5 Provo City</td>
<td>RE441</td>
<td>10,000,000</td>
<td>10/08/20</td>
</tr>
<tr>
<td>6 Provo River Water Users Association</td>
<td>RE446</td>
<td>42,800,000</td>
<td>06/17/21</td>
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<tr>
<td>7 Settlement Canyon Irrigation Co (Phase 2)</td>
<td>RE240R2</td>
<td>552,500</td>
<td>10/02/08</td>
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<tr>
<td>8 Summit Creek Irrigation and Canal Co (Phase 4)</td>
<td>RE308</td>
<td>1,198,000 (Add'l Amt.)</td>
<td>03/14/12</td>
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<tr>
<td>9 Veyo Culinary Water Association</td>
<td>RE445</td>
<td>969,000</td>
<td>03/17/21</td>
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<tr>
<td>10 Weber Basin WCD (Phase 5+)</td>
<td>RE225R5</td>
<td>7,000,000</td>
<td>08/10/07</td>
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<tr>
<td>11 Weber-Box Elder Cons Dist</td>
<td>RE400</td>
<td>1,687,000</td>
<td>08/10/17</td>
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<tr>
<td>12 Woodruff Irrigating Co</td>
<td>RE365</td>
<td>3,200,000</td>
<td>03/18/15</td>
</tr>
</tbody>
</table>

Total Funds Authorized $88,753,000

Remaining Funds Available (End of year balance if all listed projects were fully paid) $7,306,000

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

**SECONDARY METER GRANT FUNDS**

**Funding Status**  
**December 7, 2021**

<table>
<thead>
<tr>
<th>Funds Available for Projects This FY</th>
<th>$  2,000,000</th>
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<table>
<thead>
<tr>
<th>Projects Contracted This FY</th>
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</thead>
<tbody>
<tr>
<td>1 None</td>
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</table>

| Total Funds Contracted                | $ -          |
| Funds Balance                         | $  2,000,000 |

<table>
<thead>
<tr>
<th>Projects with Funds Committed</th>
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</thead>
<tbody>
<tr>
<td>1 Lindon City</td>
<td></td>
</tr>
<tr>
<td>RE452</td>
<td>$ 1,205,000</td>
</tr>
<tr>
<td></td>
<td>10/28/21</td>
</tr>
</tbody>
</table>

| Total Funds Committed                | $ 1,205,000  |
| Funds Balance                         | $  795,000   |

* To be presented at Board Meeting
## ADDITIONAL FUTURE FUNDING NEEDS

<table>
<thead>
<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>RE060</td>
<td>C&amp;D</td>
<td>11,033,000</td>
<td>12,980,000</td>
<td>01/25/02</td>
</tr>
<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 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>10 Sanpete WCD (Narrows Dam)</td>
<td>RD377</td>
<td>C&amp;D</td>
<td>29,325,000</td>
<td>34,500,000</td>
<td>04/07/83</td>
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<tr>
<td>11 Uintah WCD</td>
<td>RE316</td>
<td>C&amp;D</td>
<td>36,550,000</td>
<td>43,000,000</td>
<td>10/10/13</td>
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<tr>
<td>12 Weber Basin WCD (Phase 5+)</td>
<td>RE225</td>
<td>C&amp;D</td>
<td>7,000,000</td>
<td>08/10/07</td>
<td></td>
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<td>13 Weber Basin WCD</td>
<td>RE312</td>
<td>C&amp;D</td>
<td>85,000,000</td>
<td>100,000,000</td>
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<td>14 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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</tbody>
</table>

Subtotal                                    | $184,514,000 | $213,533,000|

* New Application
Applicant: West Cache Irrigation Company

Project Number: RE454  
Fund: Revolving Construction Fund  
Cost Estimate: $2,055,000

Application Received: 10/8/2021  
Board Meeting Date: 12/7/2021

Board Member: Charles Holmgren  
Project Manager: Russell Hadley

Project Summary: The purpose of the project is to replace three miles of a canal with a pressurized pipe. Five individually owned pumps will be replaced with one high-efficiency centralized pump.

Recommendation: Staff recommends the board authorize 45.8% of the project cost, up to $940,000, and that the project be purchased at 0% interest over approximately 24 years with annual payments of $39,400.

Project Contacts:

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

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

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

Engineer:  
Steven Wood  
Sunrise Engineering  
26 South Main Street  
Smithfield, UT 84335  
801-573-0769
Location
The proposed project is located in Trenton in Cache County.

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

The applicant has paid off three previous projects with the board. The applicant currently has two other contracted projects with the board. One to pipe the Newton Lateral on the bottom end of the system, complete with a pump station installed on Cutler Reservoir; and another to pipe the Hansen and Ezola ditches and install a centralized pump station. These two projects are currently operating but still have some items to complete.

Existing Conditions & Problems
The applicant serves agricultural irrigation water to 902 acres through the North and South Litz ditches. The North Litz ditch is earthen and 2.5 miles long, while the South Litz ditch is deteriorated concrete and is half a mile long. Five individually owned pumps are used to flood irrigate. These ditches are weedy, hard to maintain, and very inefficient.

Proposed Project
The applicant is requesting financial assistance from the board to pressure pipe the North and South Litz ditches, and install a pump station consisting of three 65-horsepower pumps. All farms will be pressurized at completion. Design and construction engineering services will be supplied by Sunrise Engineering.

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

Benefits
Benefits of the project include conservation of about 1,083 acre-feet annually and a more reliable pressurized system. The project will also reduce operation and maintenance costs, reduce weed and moss killer used in the ditch, reduce drought impacts, and provide some electrical savings.
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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<tbody>
<tr>
<td>1.</td>
<td>Mobilization</td>
<td>1</td>
<td>LS</td>
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<td>$115,000</td>
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<td>2.</td>
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<td>LS</td>
<td>139,000</td>
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<td>3.</td>
<td>Piping – P.I.P 125 psi</td>
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<tr>
<td></td>
<td>a. 27-inch</td>
<td>750</td>
<td>LF</td>
<td>62</td>
<td>46,500</td>
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<tr>
<td></td>
<td>b. 21-inch</td>
<td>3,450</td>
<td>LF</td>
<td>42</td>
<td>144,900</td>
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<td></td>
<td>c. 18-inch</td>
<td>4,500</td>
<td>LF</td>
<td>38</td>
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<td>d. 15-inch</td>
<td>3,150</td>
<td>LF</td>
<td>28</td>
<td>88,200</td>
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<tr>
<td></td>
<td>e. 12-inch</td>
<td>700</td>
<td>LF</td>
<td>19</td>
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<td>3,350</td>
<td>LF</td>
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<td>Boring and Jacking Pipe</td>
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<td>LF</td>
<td>150</td>
<td>30,000</td>
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<tr>
<td>7.</td>
<td>Air Vac Relief Valve</td>
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<td>EA</td>
<td>1,500</td>
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<td>8.</td>
<td>Pipeline Drain</td>
<td>4</td>
<td>EA</td>
<td>3,000</td>
<td>12,000</td>
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<td>9.</td>
<td>Diversion Site Work</td>
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<td>LS</td>
<td>18,000</td>
<td>18,000</td>
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<tr>
<td>10.</td>
<td>Diversion Pump Station</td>
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<td>LS</td>
<td>174,000</td>
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<td>11.</td>
<td>Diversion Screening Structure</td>
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<td>LS</td>
<td>45,000</td>
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<td>12.</td>
<td>Diversion Pump Station Piping</td>
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<td>LS</td>
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<td>13.</td>
<td>Electrical Service Connection</td>
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<td>14.</td>
<td>Electric Transformers</td>
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<td>LS</td>
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<td>150,000</td>
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<td>15.</td>
<td>Concrete Canal removal</td>
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<td>LS</td>
<td>30,000</td>
<td>30,000</td>
</tr>
<tr>
<td>16.</td>
<td>Asphalt remove and replace</td>
<td>1</td>
<td>LS</td>
<td>8,000</td>
<td>8,000</td>
</tr>
<tr>
<td>17.</td>
<td>Gravel Road Repair</td>
<td>1</td>
<td>LS</td>
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<td>7,000</td>
</tr>
<tr>
<td>18.</td>
<td>Reclaim Canal and backfill</td>
<td>1</td>
<td>LS</td>
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<tr>
<td>19.</td>
<td>Land Acquisition and Easements</td>
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<td>LS</td>
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<td>20.</td>
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**Construction Cost $1,563,150**

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
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<tbody>
<tr>
<td>Contingency</td>
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<td>Design &amp; Construction Engineering</td>
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<tr>
<td>Legal and Administrative</td>
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<tr>
<td>Environmental Assessment</td>
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</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$2,055,000</strong></td>
</tr>
</tbody>
</table>
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>$940,000</td>
<td>45.8%</td>
</tr>
<tr>
<td>WaterSmart Grant</td>
<td>$950,000</td>
<td>46.2%</td>
</tr>
<tr>
<td>Applicant</td>
<td>$165,000</td>
<td>8.0%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$2,055,000</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Staff recommends the board authorize 45.8% of the project cost up to $940,000, and that the project be purchased at 0% interest over approximately 24 years with annual payments of $39,400.

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

Benefits are calculated as follows;

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated Annual Net Increased Crop Income</td>
<td>$81,225</td>
</tr>
<tr>
<td>Reduced Pumping Costs</td>
<td>800</td>
</tr>
<tr>
<td>Reduced Operation &amp; Maintenance Costs</td>
<td>4,000</td>
</tr>
<tr>
<td><strong>NET ANNUAL BENEFIT</strong></td>
<td><strong>$86,025</strong></td>
</tr>
</tbody>
</table>

With the board’s cost share of the project being 45.8%, the applicant’s repayment ability is calculated as 45.8% of the net annual benefit, or approximately $39,400. This repayment is equal to $43.63/acre for the 903 acres in the project.

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

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

Environmental
It is expected that using less weed and moss killer will provide an environmental benefit. Additionally, some saved water may stay in the Bear River system. No adverse environmental effects are expected from the project.
Water Conservation
Approximately 1,083 acre-feet will be conserved by the construction of the project.

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

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

North & South Litz Ditches Piping Project

Cache County

West Cache Canal

T14N, R1W; Sections 34, 35 & 36

0

1,500

3,000

Feet
Applicant: Willow Creek Irrigation Company

Project Number: RE444
Fund: Conservation and Development Fund
Total Cost: $371,000

Application Received: 9/25/2020
Authorized: 8/5/2021
Board Meeting Date: 12/7/2021

Board Member: Blaine Ipson
Project Manager: Ben Marett

Project Summary: The purpose of the project is to install flow meters on both secondary and agricultural connections within the Company’s service area

Recommendation: Staff recommends the board commit 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.

Project Contacts:
President: Tyler Blackburn
PO Box 220223
Centerfield, UT 84621
435-979-2083

Secretary: Jeff Beck
PO Box 40
Gunnison, UT 84634
801-361-4677

Engineer: Jesse Ralphs - Sunrise Engineering
25 E 500 N
Fillmore, UT 84631
435-760-0881
Location
The proposed project is located in Axtell in Sanpete County.

Project Summary
The applicant provides both agricultural and secondary irrigation water to farmers and residents in and around Axtell. None of these connections are metered, and the applicant frequently experiences water shortages near the end of each irrigation season. The applicant expects that water meters will provide them with the capabilities to distribute water more equitably, and minimize excessive water use and water waste.

The proposed project, as authorized by the board in its August 5, 2021 meeting, includes installing 85 secondary meters and 45 agricultural meters. The meters will range in size from 0.75” to 8”. The applicant will be performing the work in-kind using current staff. To date, one secondary meter and five agricultural meters have been installed and the telemetry equipment has been purchased. The project is expected to proceed in earnest as soon as funds are made available. Installation of the meters is expected to be complete spring 2022. It is not expected that any engineering design or project monitoring will be required. However, Sunrise Engineering is on stand-by and will assist with the project if and when their services are needed.

Cost Estimate & Sharing
The cost estimate and sharing remain as authorized.

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<tr>
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<th>Authorized Cost Sharing</th>
<th>% of Total</th>
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</thead>
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<tr>
<td>Applicant</td>
<td>55,500</td>
<td>15%</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$371,000</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Repayment
Staff recommends the board commit 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.
Applicant: Huntsville South Bench Canal Company

Project Number: RE453
Fund: Revolving Construction Fund
Cost Estimate: $264,000

Application Received: 9/29/2021
Board Meeting Date: 12/7/2021

Board Member: Kyle Stephens
Project Manager: Ben Marett

Project Summary: The purpose of the project is to replace 1,100 feet of open canal with 20" HDPE pipe and bore a new road crossing below Highway 39.

Recommendation: Staff recommends the board authorize and commit 85% of the project cost, up to $224,500, and that the project be purchased at 0% interest over 15 years with annual payments of approximately $15,000.

Project Contacts:
President: Greg Graves
1440 S 8000 E
Huntsville, UT 84317
801-547-0393

Secretary: Sandra Walker
PO Box 235
Huntsville, UT 84717
801-547-0393

Engineer: Brian Deeter - J-U-B Engineers
466 N 900 W
Kaysville, UT 84037
801-547-0393
**Location**
The proposed project is located about one mile southwest of Huntsville in Weber County.

**Introduction & Background**
The Huntsville South Bench Canal Company (applicant) consists of 285.5 shares distributed among 45 shareholders. Most of the applicant’s water is purchased from Weber Basin Water Conservancy District. The water is stored in Causey Reservoir until it is delivered for use. When the water is needed, it is released from Causey and delivered down the South Fork Ogden River where it is diverted by the Co-op Ditch Company into Bennett Creek. The applicant operates its own diversion on Bennett Creek to turn water into their unpressurized, piped distribution system.

The applicant has worked with the Board of Water Resources on two previous projects. The first project (RF2690) consisted of lining 16,800 feet of canal with concrete liner and was completed in 1967 at a cost of about $65,000. This project has been fully repaid. The second project (RE143) consisted of replacing 17,500 feet of open canal with 24” HDPE pipe and was completed in 2007 at a cost of $1.5 million. The final payment for this project will be made to the Board in 2037.

**Existing Conditions & Problems**
There is approximately 1,100 feet of open concrete lined canal which has not yet been piped. The concrete is in poor condition and leaks substantially. The canal crosses Highway 39 through a 100 foot long pipe which is also in poor condition. The pipeline crossing is failing and sags in multiple locations. Additionally, residential development near the open canal has increased liability for the applicant.

The canal discussed above is frequently blocked by debris. Beaver occasionally attempt to build dams across the canal. When the canal becomes blocked by debris, the water overtops the banks and causes flooding. The canal is undersized and unable to deliver the full allotment of water to a single shareholder at the end of the distribution system who owns over 12% of the total shares.

**Proposed Project**
The proposed project includes the removal of the existing concrete canal liner, and installation of approximately 1,100 feet of 20” HDPE pipe with 4 manholes. The pipeline crossing below Highway 39 will also be removed and replaced with 20” HDPE pipe by boring below the road.

**Benefits**
The proposed project will increase the capacity of this section of the distribution system. The new capacity will be sufficient to meet the shareholder allotment. The pipeline below Highway 39 will be rehabilitated and no longer under threat of failure. By enclosing the remaining portion of the canal near residential areas, the canal company will reduce its liability. The enclosed canal will also limit the introduction of debris and beaver dams eliminating debris-induced flooding.

**Cost Estimate**
The following cost estimate is based on the engineer’s preliminary design and has been reviewed by staff:
**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 Share</td>
<td>$224,500</td>
<td>85%</td>
</tr>
<tr>
<td>Applicant Share</td>
<td>$39,500</td>
<td>15%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$264,000</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Staff recommends the board authorize and commit 85% of the project cost, up to $224,500, and that the project be purchased at 0% interest over 15 years with annual payments of approximately $15,000.

**Financial Feasibility**

The conserved water will be a boon to the shareholders system-wide, but the bulk of the economic return will be realized by a single shareholder at the end of the distribution system. The applicant estimates that the total alfalfa production by this shareholder will increase from 42 tons per year to 126 tons per year. The 2020 annual report of the Utah Department of Agriculture and Food listed the average alfalfa price as $182 per ton. At this rate, the applicant will realize approximately $15,000 in economic gains from increased crop production.

Additionally, the applicant expects an annual Operation & Maintenance reduction of approximately $7,000. This reduction will be achieved by reducing the amount of time and effort required to clear debris from the canal. The total annual financial benefit of the project is estimated to be
approximately $22,000 annually.

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated Annual Net Increased Crop Income</td>
<td>$15,000</td>
</tr>
<tr>
<td>Reduced Operation &amp; Maintenance Costs</td>
<td>7,000</td>
</tr>
<tr>
<td><strong>NET ANNUAL BENEFIT</strong></td>
<td><strong>$22,000</strong></td>
</tr>
</tbody>
</table>

With the board’s cost share being 85% of the project cost, the applicant’s repayment ability is calculated at 85% of the net annual benefit, or approximately $18,700. This repayment would result in a repayment term lower than the board’s minimum of 15 years.

**Water Rights & Supply**
The applicant owns water rights 35-7307 and 35-7308 which allow for the diversion of 8.92 CFS from Bennett Creek. However, the applicant reports that the natural flows described by these rights are only available during spring runoff. The applicant is often unable to use this water because spring runoff is gone before the irrigation season begins and they have no way of storing the water. Therefore, the applicant purchases 600 ac-ft of water per year from Weber Basin Water Conservancy District.

**Easements**
No additional easements will need to be obtained for the proposed project beyond those which are already held by the applicant.

**Environmental**
The proposed project will reduce groundwater seepage. This could potentially affect vegetation or wetlands that may have grown or developed as a result of the seepage losses.

**Water Conservation**
There is one shareholder located downstream of the open canal section. Based on historic use of water at the farm, the shareholder estimates that 35 ac-ft of water are lost to groundwater seepage. It is expected that piping the canal with HDPE will virtually eliminate groundwater seepage losses.

**Applicant’s Responsibilities**
If the board authorizes and commits funds for 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.
Huntsville South Beach Canal Company

Proposed Ditch Pipeing Project
Weber County

- Project Location
- 484 Manhole
- Proposed 20" HDPE
- Existing Pipe

T6N, R1E; Sections 13 & 24
Applicant: Powder Mountain Water & Sewer ID

Project Number: RL585
Fund: Cities Water Loan Fund
Total Cost: $3,741,000

Application Received: 1/18/2019
Authorized: 3/20/2019
Committed: 8/6/2020
Board Meeting Date: 12/7/2021

Board Member: Kyle Stephens
Project Manager: Ben Marett

Project Summary: The purpose of the project is to install two new booster pump stations, rehabilitate two existing pump stations, install a spring box and a pipeline to connect Pizzle Spring #3 to the eastern pressure zone.

Recommendation: Staff recommends that the board commit an additional $1,592,000, for a total bond of $3,180,000. The bonded indebtedness will be returned at 1% interest over 30 years with annual payments of approximately $128,000 (includes reserves).

Project Contacts:
Manager: Roy Watts
Secretary: Carrie Zenger
Engineer: Jim Milligan, P.E.
298 24th St, Ste 150
298 24th St, Ste 150
12401 W 450 E, Building C-2
Ogden, UT 84401
Ogden, UT 84401
Draper, UT 84020
801-510-2093
801-983-2727
801-571-9414
Location
The proposed project is located five miles north of Eden in Weber County.

Project Summary
In its August 6, 2020 meeting, the Board of Water Resources committed $1,588,000 to the applicant for their proposed project. The project included the following:

- Installing a spring box on Pizzle Spring #3 for use in their drinking water system
- Constructing one booster pump station
- Rehabilitating two existing booster pump stations
- Installing a 250,000 gallon underground water storage tank
- Installing the necessary pipeline to connect the spring, booster pumps, and tank to the water distribution system

Construction on the project began fall of 2020 and has proceeded without incident. To date, approximately $894,000 of the Board's committed funds have been paid out.

Since construction began approximately one year ago, market conditions have shifted upward. Due in part to the shift in project costs, the applicant would like to request additional funds to cover rising project expenses and adjust the scope of the project. The applicant proposes the following changes to the project:

- Postpone the water storage tank indefinitely (may be constructed at a future date)
- Construct a fourth booster pump station
- Install approximately 4,000 feet of distribution pipe

The additional booster pump station and pipeline will enable the applicant to provide water from Pizzle Spring #3 to the connections on the east side of the service area (The applicant's service area is bisected by an elevation divide into eastern and western pressure zones).

Cost Estimate & Sharing
The updated project cost estimate is shown in the table below.
The project cost estimate has increased by $1,873,000, from $1,868,000 to $3,741,000. The committed and proposed cost sharing are:

<table>
<thead>
<tr>
<th>Agency</th>
<th>Bonded Cost Sharing</th>
<th>% of Total</th>
<th>Proposed Cost Sharing</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of Water Resources</td>
<td>$1,588,000</td>
<td>85%</td>
<td>$3,180,000</td>
<td>85%</td>
</tr>
<tr>
<td>Applicant</td>
<td>280,000</td>
<td>15</td>
<td>561,000</td>
<td>15</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$1,868,000</strong></td>
<td><strong>100%</strong></td>
<td><strong>$3,741,000</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

**Repayment Terms**

The current bond terms require the District to repay $1,588,000 at 1% over 30 years. If the board agrees to the project changes, staff recommends that the board commit an additional $1,592,000, for a total bond of $3,180,000. The bonded indebtedness will be returned at 1% interest over 30 years with annual payments of approximately $128,000 (includes reserves).
2021 Water Resources Plan Status Report
December 7, 2021

Background
The 2021 Water Resources Plan was completed, including internal reviews, in September 2021. It was issued for public review and comment on September 29, 2021. The comment period concluded on November 15, 2021. One hundred thirty-one (131) individuals or organizations submitted comments using the official comment survey. The Division received nine (9) additional different comment emails. Although emailed comments were not “official” comments, the Division treated those comments in the same manner as comments submitted using the survey form. A few individuals or organizations submitted comments using the survey form and followed up with an email of the same comments.

- 140 individuals or organizations submitted comments
- 131 individuals or organizations commented using survey
- 14 comment emails were received; 5 were duplicates of survey form emails
- 274 comments were received using comment form

Specific Comments
- 111 comments specific to the 2021 Water Resources Plan
- Many similar comments

General Comments
- Didn’t like the survey format and limitations
- Liked the document; beautiful layout and photos; easy to read
- Position statements supporting protection of Great Salt Lake, maintaining flows in the Colorado River
- Position statements encouraging more robust water conservation actions
- Position statements calling for reduction in agricultural water use
- Position statements opposing the Lake Powell Pipeline and Bear River Development
- Position statements supporting limited growth

River Basin Planning Section Goal
- Make revisions to 2021 Water Resources Plan and Publish before the end of 2021

Questions from the Board?

Presented by Rachel Shilton, River Basin Planning Manager
Lake Powell Pipeline Update
December 7, 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
  - Final EIS
  - Record of Decision
  - Final Design and Financing Plan
  - Construction
- Contracts Update

Presented by Joel Williams, Deputy Director
Contract Water Banks
December 7, 2021

Background
The Water Banking Act (Act) is codified in Utah Code Title 73 Chapter 31

The Act promotes temporary, voluntary, and locally direct leasing arrangements for the use of water rights. Leasing arrangements retain local ownership of water rights, create income and provide expanded water access.

The Act provides water users ultimate flexibility to design a leasing arrangement that meets local conditions. Local water users can determine the size and scale of a bank’s service area, which water rights participate, lease prices, lease terms, conditions for leasing, distribution of proceeds, etc.

Board Authority
The Board of Water Resources has the authority to review, approve, and revoke a water bank application, require reporting, and conduct other functions related to the Act. The Board may direct the Division of Water Resources to assist with fulfilling the Act.

Contract Water Bank
A contract water bank is a contract that orchestrates water deliveries between a public entity and other parties to the contract. The goal of a contract bank is to allow public entities more flexibility in working with other water users to meet the objectives of the Act. Contract banks rely on the existing legal framework governing the public entity to ensure transparency.

Documents
1) Board of Water Resources Contract Water Bank Application
   This form is based on, and modeled after, similar forms created to facilitate the Board’s review and approval of funding applications. In general, the Contract Water Bank Application asks the Applicant to produce the following information:
   a. Application Form (among other substantive requirements)
      i. Applicant and administrative information
      ii. Narrative of contract transaction
      iii. Links to minutes of Applicant’s conditional approval of contract
      iv. Where to locate the Applicant’s public meeting notice
      v. Attorney “Approved as to Form” signature
   b. Map of Bank Service Area
   c. Copy of conditionally approved Water Bank Contract
2) Board of Water Resources Contract Water Bank Guidelines
   This document is based on, and modeled after, similar Board forms and is intended to
   assist the Board and the Division’s review of a Contract Water Bank Application. As the
   Division and Board work through the review process it may be prudent to adjust this
document to reflect actual conditions of review.

3) 5 Step Contract Water Bank Application Process
   This document was produced by the Water Banking Project Management Team and is
   intended to be a publicly facing document to assist interested water users in
understanding the Contract Water Bank Application process.

Staff Recommendation
Staff recommends that the board authorize and direct the Division of Water Resources to
receive, date, determine completeness, and post notice of Contract Water Bank Applications in
accordance with Utah Code § 73-31-303.

Staff also recommends that the board adopt the application and guidelines for Contract Water
Banks, as written.

Presented by Emily Lewis, Clyde Snow & Sessions (Consultant) &
Jaqueline Pacheco
INTRODUCTION:

This form is for eligible entities to apply to establish a Contract Water Bank under Utah Code Title 73 Chapter 31 (“the Act”).

The Act 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 among interested local users. Participation in a Water Bank is voluntary. The Utah Board of Water Resources shall review all Water Bank Applications for completeness and approve complete applications. For a water right to be used within an approved Water Bank, it must be approved through a separate Change Application process overseen by the Utah Division of Water Rights. Once approved, Water Banks operate as independent entities with annual reporting requirements to the Board of Water Resources.

Pursuant to Utah Code Ann. § 73-31-106 the Board of Water Resources delegates authority to the Division of Water Resources staff to perform a completeness review of this application.

APPLICATION INSTRUCTIONS:

To apply, please:
(1) Complete this Contract Water Bank Application form
(2) Attach a water bank service area map, attorney’s review letter, conditionally approved water bank contract, 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
801-652-1668

CONTACT INFORMATION:

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<table>
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<table>
<thead>
<tr>
<th>Official Business Address</th>
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<tbody>
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<td></td>
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</table>

<table>
<thead>
<tr>
<th>Primary Contact (First &amp; Last Name), Title/Position</th>
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<tr>
<th>Attorney (First &amp; Last Name), Firm (can represent any party to Contract Water Bank)</th>
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### PROJECT INFORMATION:

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<th>County(ies) Where Water Bank is Located</th>
<th>Type of Water Bank (ground or surface water):</th>
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<td>Proposed Annual Start Date of Contract Water Bank</td>
<td>Proposed Annual End Date of Contract Water Bank</td>
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<td>Estimated Years of Operation</td>
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| List of Parties to Water Bank Contract | Links to Minutes Where Applicant Discussed Water Bank Contract a Regular Meeting and Link to Meeting where Applicant Provided Conditional Approval of Water Bank Contract |

| Narrative Description of the Contract Water Bank Service Area (map to be attached) | Anticipated Water Rights and Volume |

### 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.

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 Contract Water 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 Contract Water Bank, including how the Contract Water Bank will return banked water rights and any money owed water right owners.

Where the public may locate information on when the Water Bank Contract will be on the Applicant’s Agenda for a public hearing.
**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.
3. Request approval of this Contract Water Bank application subject to the required completeness review.

Name of Authorized Agent

__________________________
Signature of Authorized Agent ____________________________ Date

**APPROVED AS TO FORM AND COMPLETENESS** (to be completed by an attorney for one of the parties to the Contract Water Bank)

Attorney Name

__________________________
Attorney Signature ____________________________ Date

Party to Water Bank Contract Represented by Attorney

**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 conduct a completeness review and to prepare a contract water bank report.

Comments (if any):

__________________________
Board Member Name

__________________________
Board Member Signature ____________________________ Date

**FOR OFFICE USE ONLY**

Board Meeting Date: ____________________________

☐ Approved
☐ Denied
The Utah Water Banking Act - Title 73 Chapter 31 (the “Act”) authorizes the Board of Water Resources (“Board”) to approve eligible leasing arrangements as water banks and be extended certain rights and benefits. Utah Code Ann. § 73-31-303 requires the Board to review, notice, and approve complete Contract Water Bank applications as Contract Water Banks. A Contract Water Bank is based on and governed by a voluntary agreement to lease water between local parties. The Act allows a willing non-federal public entity be a party to the contract and act as the bank applicant. Once approved, a Contract Water Bank applicant has certain annual reporting duties to the Board. Utah Code Ann. § 73-31-106 authorizes the Board to direct and delegate responsibilities under the Act to the Division of Water Resources.

Contract Water Bank Program Guidelines:

1. A non-federal public entity who is a party to a contract governing leasing between local parties may seek to have the contract approved as a Contract Water Bank by submitting a Contract Water Bank application to the Board of Water Resources.

2. The Board of Water Resources must mark the date a Contract Water Bank application is received by the Board.

3. Once marked received, the Board is required to review the Contract Water Bank application for completeness. To be complete under Utah Code Ann. § 73-31-302, a Contract Water Bank application must contain the following:
   - Name of the Contract Water Bank
   - Description of the proposed bank service area and map
   - Description of the structure of bank’s governing body and how it will operate
   - Description of how delivery requests and loaned water rights are to be administered
   - Criteria for the participation of non-public entities (if any)
   - A copy of the underlying water leasing contract
   - Where the public can learn when the water leasing contract is on the agenda of a public meeting held by the Applicant
   - Type of water rights accepted by bank – ground or surface, but not both
   - Description of how the bank will unwind if terminated, dissolved, or revoked, including how the bank will return banked water rights and monies owed to depositors

The Board is to notify the applicant if any additional information or changes are needed to process the Contract Water Bank application.

4. The Board is to mark the date the Board deems the Contact Water Bank application complete.
5. Within 30-days of marking the Contract Water Bank application complete, the Board must publish notice according to Utah Code Ann. § 73-31-103. This notice shall state that an application to approve a contract water bank has been filed with the Board and where a person may review the application.

6. The Contract Water Bank applicant will hold a public meeting to collect any comments on the water lease contract. If no comments are received, or the applicant does not find the comments merit amending the water lease contract, the applicant will alert the Board they have completed the requirement to hold a public meeting to collect comment and request the Board approve the Contract Water Bank application as complete.

7. If the applicant receives comments it determines merit amending the water lease contract, the application may notify the Board in writing before the Board takes action on the Contract Water Bank application and the applicant will submit a revised application following the same process that governs the filing of an original application.

8. After the applicant has held a public meeting and has requested the Board approve the Contract Water Bank application, the Board shall liberally interpret the standards set in Utah Code Ann. § 73-31-302 to find the Contract Water Bank application complete and approve the application.

9. The Board will issue an order approving the Contract Water Bank and publish a summary of information submitted on the water banking website.

10. If the Board of Water Resources denies an application, it must provide a written explanation describing the reasons for the denial. Denial of Contract Water Bank application does not create a right of appeal under Title 63G Chapter 4 of the Utah Administrative Procedures Act.

11. Once approved as a Contract Water Bank, the bank participants will use the State Engineer’s existing Change Application process under Utah Code Ann. § 73-3-3 and § 73-3-8 to secure approval from the Division of Water Rights to use water rights for water banking purposes inside the Contract Water Bank service area.

12. The Contract Water Bank is responsible overseeing internal administration of water leases between participating parties and coordinating with the State Engineer on distribution and enforcement matters.

13. On or before November 30th each year, the governing body of a water bank will make a report to the Board regarding the water bank’s operation and including the information listed under Utah Code Ann. § 73-31-401.
Statewide Water Marketing Strategy Project:
Exploring the development of market tools favorable to local water users by piloting the Utah Water Banking Act (Chapter 73 Title 31). The Act promotes water leasing arrangements that are locally controlled, temporary in nature, and always voluntary. More information at utahwaterbank.org.

CONTRACT WATER BANK
5 STEP WATER BANK APPLICATION PROCESS

1. Pre-Application Activities:
   a. Interested local parties, including a public entity, meet to discuss the feasibility of mutually beneficial water leasing arrangements.
   b. Parties negotiate a contract to frame and govern the agreed to lease transaction. Contract must meet the statutory elements of Utah Code § 73-3-302.
      i. **Recommendation**: Notice progress of contract negotiations on the Board of the participating parties-- take minutes.
   c. Parties approve and execute a conditional Water Bank Contract.
      i. **Recommendation**: Include provision that the contract terminates if the Board of Water Resources does not approve the application.
   d. Consult with State Engineer on proposed Change Application to approve water rights for water bank uses.

2. Apply to Board of Water Resources:
   a. Complete Contract Water Bank Application Form:
      i. Application Form (among other substantive requirements)
         1. Applicant and administrative information.
         2. Narrative of contract transaction.
         3. Links to minutes of Applicant’s conditional approval of contract.
         4. Where to locate the Applicant’s public meetings notice.
      a. **Recommendation**: Public entity Board vote to hold a special meeting with a set date providing due public notice. Include date of public meeting where Applicant will take public comment and/or approve Water Bank Contract.
      5. Attorney "Approved as to Form" Signature
         ii. Map of Bank Service Area
         iii. Copy conditionally approved Water Bank Contract
         iv. **Recommendation**: Include a DRAFT or working Change Application
   b. Send complete Contract Water Bank Application to Utah Division of Water Resource.
   c. Work with Division Staff on completing application process.

3. Division of Water Resources Application Review and Public Notice:
   a. Mark date Contract Water Bank Application received at Division.
   b. Review Contract Water Bank Application for completeness.
c. Mark date Contract Water Bank Application deemed complete by Division.
d. Within 30 days of being deemed complete, Division publish public notice of receipt of a complete Contract Water Bank Application (Utah Code § 73-31-303(3)), including:
   i. An application to approve a contract water bank has been filed with the Board; and
   ii. Where a person may review the application.
      1. **Recommendation:** Include anticipated date of the special meeting scheduled by the Applicant.

4. **Applicant Public Meeting:**
   a. Applicant notices a meeting for public comment on the Water Bank Contract.
   b. Applicant holds noticed meeting and collects public comment on Water Bank Contract - takes minutes and notes of all public comment received.
   c. Applicant votes to Amend and Resubmit Water Bank Contract if applicant determines public comment merits amending the Water Bank Contract.
   d. Applicant votes to ratify Water Bank Contract if no comments are received, Applicant incorporates comments, or Applicant determines comments do not merit changes.
      i. Applicant to document how comment was resolved or why comment was not addressed.
   e. If ratified, send notice to the Board of Water Resources the Applicant has completed all statutory requirements to a complete Contract Water Bank Application and request approval as a Contract Water Bank.

5. **Board of Water Resources Contract Water Bank Application Approval:**
   a. Prepare a Staff Report finding the Applicant has completed the Contract Water Bank Application requirements and the Board may act on its duty to approve the Contract Water Bank Application.
   b. Board vote finding the Contract Water Bank Application complete and approving the Contract Water Bank.
   c. Establish procedure with newly approved water bank for submitting annual reporting requirements.
ARPA Secondary Water Meter Grant Guidelines
December 7, 2021

Funding Availability
The Utah Legislature intends to make American Rescue Plan Act (ARPA) grant funds available to providers of pressurized secondary irrigation water for the installation of meters on existing systems.
- $50,000,000 available for grants
- Cost share for each project is 75% ARPA grant, 25% applicant funds

Funding Guidelines

- The grant funds are available for meter installation on existing unmetered systems, not for development of new systems, or replacement of existing meters
- 25% Cost Share may be a loan from the Board of Water Resources. This can be done through a separate application to the board.
- Funds will be disbursed so one entity cannot receive it all in one application. For example, providers with 7,000 connections or less are eligible for up to $5 million; providers with over 7,000 connections are eligible for up to $10 million.

Application Process:

1. Pressurized Secondary Water Providers will submit applications to the Utah Division of Water Resources during a 45-day application period (to be determined)
2. If funds remain after the first round of applications, additional application periods could be scheduled to ensure all funds are utilized
3. Applications will be reviewed and prioritized by Water Resources staff
4. Water Resources staff recommends projects to Board of Water Resources for funding consideration
5. Applicants approved by the Board of Water Resources will enter into legal agreements with the Board of Water Resources for use of the ARPA grant funds
6. Project funds must be contracted by December 31st 2024, and all funds spent and construction completed by December 31st 2026.
Application Required Information

The following information will be required on each application and will be used by Division of Water Resources staff in reviewing and prioritizing applications:

- Detailed project cost estimate including meter costs, and installation costs
- Number of meters to be installed
- Detailed estimated secondary water use reduction including average lot size calculations, average irrigated acreage, estimated water applied pre-project vs. post-project
- Project timeline for purchase and installation of meters
- Project must be stamped and signed by a Utah Registered Professional Engineer responsible for the work
- Applicant must agree to provide either an educational component on the monthly billing statement, and/or bill according to usage using a tiered conservation rate

Priority Ranking

Projects will be ranked according to the following prioritization criteria:

- (50%) Bang-for-Buck: Ratio of estimated water use reduction divided by total project cost
- (30%) Dire Straits: Applicants facing potential imminent water shortages where installation of meters and subsequent water use reductions will result in delaying or eliminating need for new water development
- (10%) Busy Bee: Accelerated construction schedule, prompt start and finish
- (10%) Show me the Money: Applicant has 25% cost share in hand

Staff Recommendation

Staff recommends that the board adopt the guidelines, as written, for ARPA Secondary Water Meter Grants.

Presented by Joel Williams, Deputy Director
BOARD OF WATER RESOURCES  
Briefing Meeting Minutes  
DNR Regional Complex  
319 North Carbonville Road  
Price, UT  
October 28, 2021  
8:30 am

BOARD MEMBERS PRESENT  
Chair Blaine Ipson  
Vice-Chair Kyle Stephens  
Juliette Tennert  
Jim Lemmon  
Norman Johnson  
Charles Holmgren  
Wayne Andersen  
Randy Crozier

STAFF PRESENT  
Candice Hasenyager  
Joel Williams  
Todd Stonely  
Randy Staker  
Michael Sanchez  
Marty Bushman  
Shalaine DeBernardi  
Marisa Egbert  
Jaqueline Pacheco  
Russell Hadley (virtual)  
Lindsay Russell  
Thomas Moore  
Paul Gedge  
Carmen McDonald (virtual)

OTHERS PRESENT  
Tom Thompson  
Emily Lewis  
Nathan Bracken  
Sue Bellagamba
CHAIR BLAINE IPSON called the meeting to order at 8:39 and announced Board Members present.
DIRECTOR CANDICE HASENYAGER announced staff and others present.

CHAIR BLAINE IPSON the board was able to participate in a tour of several areas in Carbon and Emery Counties. It was well organized and a big thank you to Marisa Egbert for planning that. The new water year has begun and is looking much better in October, so let’s hope that continues.

APPROVAL OF MINUTES:
CHAIR BLAINE IPSON asked for any changes that needed to be made to the minutes from the last meeting.
CHAIR BLAINE IPSON asked what the status of the BRD commissioner was.
DIRECTOR CANDICE HASENYAGER we are working with the Governor’s office to get me named officially as the UCRC Alternate. Because I am currently on the Colorado River Authority by statute, there is nothing additional we need to do regarding that. The Bear River Commissioner seat is being discussed and we will have that motion ready for the board at the December meeting.

PROJECT REPORTS
SPECIAL ITEMS

RE061, 352, 361 Ephraim Irrigation Company
CHAIR BLAINE IPSON I represent that area and this company has had a series of projects over the years to line their trans-mountain tunnel. It was supposed to take 2 years to complete but due to unexpected costs, it has taken 4 years.
MARISA EGBERT there have been a number of issues that have come up between the contractor and the company and while they were not able to work things out in mediation, they were able to come to a consensus after that and $400,000 was the agreed upon amount. The other project numbers are ones they are still making payments on so they are a part of us potentially helping them with this delay in payments.
Staff recommends the board amend all three purchase agreements to state that principal payments will be deferred for 2021, 2022, and 2023, and will resume on March 1, 2024. Interest payments will be due on March 1, 2021, 2022, and 2023.
Staff also recommends that the board amend the purchase agreement for RE361 to state that the balance owed will be returned over approximately 18 years with annual payments of $62,500. The interest rate will remain as contracted.
CHAIR BLAINE ISPON is Mike agreeable with these terms?
MARISA EGBERT yes, we discussed this with him and Shalaine and Marty and it sounds like these terms are ones they are amenable to. We have clarified with him that what they are wanting is not in the letter.
SHALAINE DEBERNARDI they added some things into their letter regarding interest and principal payments. They will be paying $60,000 this year in interest. But they can accumulate some funds to pay
off the amount owed. We have explained that we do not need to address the late payment in 2021 because if this is approved by the board, the 2021 payment will be deferred and, therefore, not late. MARISA EGBERT the company has had discussions with the city about this settlement because they have a culinary line through the tunnel and they also did not want that tunnel to collapse. The city is helping pay for the project. We required there be a written agreement between the company and the city on how this would be paid and I believe that it is 50/50 but I am not 100% certain on the final outcome. VICE-CHAIR KYLE STEPHENS regarding the late fees being waived, if we approve this today, the payment for 2021 would not be late and there would be no late fees. We did not waive the late fees for another company so is it unusual to waive them in this way?

SHALAINA DEBERNARDI that company had several late payments and the board had decided that because it was an issue, this one has not been late before.

CHAIR BLAIN IPSON will Mike tell us in the full meeting that they will be paying the full amount of the settlement this year?

MARISA EGBERT there was a discussion with the contractor that stated that they would make one payment but that may have changed at this point.

JULIETTE TENNERT is there a written agreement around the settlement? This was taken care of outside of mediation and I just want some record or clarification on that.

MARISA EGBERT there are additional fees out there because of attorney fees and additional work. They have sent those invoices and we have reimbursed and if there are still more engineering fees after that, we will not be paying those through this settlement.

RANDY CROZIER we are talking about $400,000 and I want to know if half is the city and half is the irrigation company?

SHALAINA DEBERNARDI technically, that is what should happen but the contractor's contract is only with the irrigation company. Although the city and irrigation company have a separate agreement, the settlement is only between the contractor and the irrigation company. The attorney that is working with the irrigation company is the city attorney so hopefully there is a reasonable resolution to all of this.

RANDY CROZIER so the city would essentially be a shareholder or something to that effect?

SHALAINA DEBERNARDI yes that is right.

RANDY CROZIER does the pipe hang in the ceiling or does it run on the floor?

MARISA EGBERT they put in a second one as a backup on the side but the main pipe is on the ceiling. There are shareholders that are paying repayments for all three projects and then the drought hit so they have all struggled. There were some issues with the contractor being unprepared as well.

RANDY CROZIER pre-planning can make a difference but I hope they can get it resolved.

MARISA EGBERT they do have some money ready and saved to pay the balance due on the settlement so that should help.

RE 427 Ashley Central Irrigation Company

RANDY CROZIER this project has been refinanced and changed quite a few times.

JAQUELINE PACHECO this is a recommittal of funds and the original project was to pipe a 2.4 mile canal. They expanded the scope to pipe and partially pressurize approximately 9.6 miles of canal within and near Vernal City to reduce seepage, increase conveyance efficiencies, and improve safety. They received
a WaterSMART to cover a portion of the original project but declined the WaterSMART grant in order to be eligible for funding from the NRCS. Although the overall cost has increased due to the expanded scope, the board’s portion is the same. Staff recommends the board recommit 7.7% of the project cost, up to $1,000,000, and that the project be purchased at 0% interest over 25 years, with annual payments of approximately $40,000.

RE 440 Nibley Blacksmith Fork Irrigation Company
CHARLES HOLMGREN we met with them some time ago and since then, the president of the company passed away and a reorganization took place. They found some funding elsewhere as well. RUSSELL HADLEY the bids for the project did come in higher and the Blacksmith Fork diversion portion will be covered by Trout Unlimited. Even with that amount taken care of along with a WaterSMART grant and Water Optimization grant, the amounts are still quite high. They also wanted us to waive the requirement to only water before 10 am and after 6pm but because the lawn and garden water is such a small percentage, we decided to not have the lawn and garden portion on there and it will come from the revolving construction fund and treat it like an agricultural project.
Staff recommends the board re-authorize and commit 55.7% of the project cost from the Revolving Construction Fund, up to $768,000 and that the project be purchased at 0% interest over 30 years, with annual payments of approximately $25,600.
CHARLES HOLMGREN are they going to be online or in person?
RUSSELL HADLEY they will be virtually.
SHALAINE DEBERNARDI I am prepared to present if you want an in-person presenter but I am also happy to have Russell present virtually.
CHAIR BLAINE IPSON if we could have Shalaine stay up at the presenting table just in case there are questions and have Russell present virtually, that would be helpful.
JULIETTE TENNERT what is the magnitude of the lawn and garden part? I don’t mind excluding it but I want to understand that a bit better. There are 181 homes versus 3100 acres of agricultural land or is it percentage smaller?
SHALAINE DEBERNARDI they have a 0.15% interest rate because of the inclusion of the lawn and garden section. When the lawn and garden aspect was excluded, we were able to drop the interest rate.
JULIETTE TENNERT yes that makes sense.
RUSSELL HADLEY the irrigation company treats the lawn and garden connections and homeowners association the exact same way as an agricultural user in terms of having the water available to them every 10 days.
RANDY CROZIER how many shares are owned by the subdivision?
RUSSELL HADLEY I can look that up for you.
RANDY CROZIER I just wanted know the acreage/lot sizes and what shares were actually owned.
CHARLES HOLMGREN it has been awhile since I have been there but I would guess that the residential area is around 50 acres but we can get those actual numbers from Russell.
RANDY CROZIER because those lawns go right up to the canal, it makes sense that the bids came in so high and it makes sense that this would be the case so I am disappointed that the engineers missed that.
SHALAINE DEBERNARDI things are much more expensive in 2021 than they were in 2020 and this was authorized just over a year ago.
RANDY CROZIER it is difficult to work with those homeowners and finish the project without issues.

RE 452 Lindon City
WAYNE ANDERSEN straight forward project for secondary meters. They do have a grant from Central Utah Water Conservancy District for 14.2% and we will cover 42.9% and they will cover the other 42.9%. MARISA EGBERT this is a great project. They are not only metering the homes, they are bringing in several different sizes of meters to meter parks, institutional areas, etc. They have 250 meters installed already in residential areas. There are around 250 homes not in a pressurized system because it is so far out from the main area. They now have an option to add those outside homes to the system. This is also the first of the State’s water grants for secondary meters. We are excited to get this out there. We will be having a press release about this project as well.

Staff recommends the board authorize and commit 42.9% of the project cost, up to $1,205,000, as a secondary meter grant.
WAYNE ANDERSEN are they installing the meters themselves?
MARISA EGBERT they were planning to do that. But that would still need to be in the cost estimate, if they want that to be in the reimbursement.
DIRECTOR CANDICE HASENYAGER the legislature appropriated $2 million ongoing per year to administer these grants at a 50/50 cost share.
SHALAINE DEBERNARDI these were the guidelines that the Board adopted at the previous meeting.
MARISA EGBERT we do have a financial feasibility in here even though they are not paying it back, they needed to submit this to show the need, which is required in order to be in compliance with the guidelines.

NEW APPLICATIONS
RE 453 Huntsville South Bench Canal Company
RE 454 West Cache Irrigation Company

LAKE POWELL PIPELINE REPORT
JOEL WILLIAMS will provide the report in the board meeting.

WATER BANKING REPORT
EMILY LEWIS we are continuing the process of the application process for Water Banking.
CHAIR BLAINE IPOSN I asked some questions and one thing I did miss were that there are two different types of water bank: statutory water bank and contract water bank. The documents we have today are for contract water bank
JAQUELINE PACHECO the goal today is that the board approve the guidelines and I have the motion here today just in case you would be able to do that.
EMILY LEWIS we do want all parties to feel comfortable with everything so we are giving some time to them to get to that point.
SHALAINE DEBERNARDI I just want to clarify some of the tasks that the division is taking on. The board would still be required to sign off on it. The 5 step process sheet is not a part of the official board document that we are asking you to adopt. The division would be able to work within those guidelines
to complete the tasks but if there is something you don’t like, we can change that. We would like the board to approve them as written so they are ready to go when the bank is ready.

NATHAN BRACKEN when these provisions were all written, it was meant to be through the Division but when we came to the statute drafting, we realized that the code was structured to require that the board direct the division on these matters. We changed it to the board to make it consistent with the rest of the statutes. The intent was never that the board do the groundwork.

DIRECTOR CANDICE HASENYAGER in the board guidelines, it does not mention the delegation of these certain responsibilities so does that need to be in there?

SHALAINE DEBERNARDI it is in the statute requirements.

JULIETTE TENNERT in these first applications, can the staff keep the board in the loop for each? I am comfortable with the staff taking on the duties through delegation but if we could have more communication on the happenings, that would be great.

MARTY BUSHMAN the board’s authority is to take action and they can delegate that. Whether it’s in the guidelines or they just make a motion, they are able to do that.

WAYNE ANDERSEN whoever represents the area that the application is coming from, the board member will need to sign off on that

RANDY CROZIER this seems similar to what we do now. Do we have to have a final document with the board’s signatures?

CHAIR BLAINE IPSON all we have to do is approve the application.

MARTY BUSHMAN there is a review to make sure the application is complete which would be delegated to the division. The next step would be a board approval where you would vote to approve the application.

CHAIR BLAINE IPSON it is the same process as we have for projects in our areas.

JAQUELINE PACHECO that was our intent going through the process so it makes it easier to streamline the process.

EMILY LEWIS there is no board/applicant contract because we are not providing the funding. We want this to be done right and in the way that you feel comfortable with.

RANDY CROZIER I just want to know when a project is coming up and we can be aware and it gives the board member a bit more time to know.

CHAIR BLAINE IPSON on the agenda, we get notified that we have new projects coming up so perhaps a new application can be shared in that way as well?

SHALAINE DEBERNARDI yes, and the only thing I would add in that instance is that we dont always know there is a new application and how quickly the investigation came through, it can be something that does not end up on the agenda in those cases. But it does go through the same process as project funding. I will make a note that an email will go out to the board when we do have a new application for water banking.

JULIETTE TENNERT I know that these are pilots and this is helpful during these but eventually, we may not even need that once this becomes more common.

EMILY LEWIS and one thing to remember is that this is making sure that all the boxes are checked and that all parties are protected and the water is administered in a way that meets the approvals.

SHALAINE DEBERNARDI as you look at the application form, this is much more detailed than a project funding application. This is reviewing the materials along with the application so it is just going to be a
matter of looking over it and ensuring everything is checked and then coming to the board with a recommendation.

CHAIR BLAINE IPSON what is the motion that you have for the board meeting?

JAQUELINE PACHECO the original motion that I had was “staff recommends the board adopt the application and guidelines for contract water banks as written” but it sounds like you would like there to be changes made before they are approved.

SHALAINE DEBERNARDI all we would ask is that in the board meeting you either designate specific changes you would like to see made or you can ask us to make the changes and bring them back to you in December.

MARTY BUSHMAN the guidelines state that the division has the responsibility of reviewing the applications for completeness. One way you could do the delegation is to approve the guidelines today but if you are sending the guidelines back for further modifications, you could have a clarifying sentence that the board delegates these responsibilities.

CHAIR BLAINE IPSON I would like some more time to go over it and wait until the December meeting.

EMILY LEWIS that is totally fine and it has been a big process. It was helpful for the participating parties to have this date, but we do need to have a practical timeline if we want to run water through the water bank in spring 2022. We also have to take into consideration the change application process and we would likely need to have that done by January or so, but we cannot move forward with that until the board application is approved.

VICE-CHAIR KYLE STEPHENS who will be the entity that we will receive these initial contacts from?

SHALAINE DEBERNARDI it would likely come from an attorney but it will be on behalf of a public entity. I would say that today we should just remove the motion for today but what we would like is specific direction on what changes you would like to see. Within the next week, we will incorporate those and get those to you so you can look over them and address concerns.

EMILY LEWIS this specific one would be the Price Watershed Conservation District. I also did include an example of what the signature block would look like in your documents.

RANDY CROZIER when this application comes forward, this will be completely filled out before we sign it.

CHAIR BLAINE IPSON we do not determine that it is complete, the staff will be doing that later.

SHALAINE DEBERNARDI the signature will signify that the project looks good to you.

RANDY CROZIER to me, it seems that my signature says that it is complete. I just want to feel comfortable in signing it because I will not have reviewed everything on there.

MARTY BUSHMAN the first review is just that the boxes are all checked in that all the material is included.

EMILY LEWIS right now, the signature line states “I have reviewed this application and forwarded it to staff of the Division of Water Resources to prepare a feasibility report”. You are not attesting that you have seen the application and forwarded it on to start the process.

CHARLES HOLMGREN I would be comfortable with this motion today but I understand that we might be making changes as time goes on.

JULIETTE TENNERT I also like to think about things longer so I would appreciate some additional time to review.

EMILY LEWIS that is great and I would rather everyone be comfortable with it so December works but that is the time things really do need to be approved by.
RANDY CROZIER it would be helpful to have the motion ready so we can read that beforehand.
CHAIR BLAINE IPSON I would like something on the signature block and the application approval. There is a concern on making sure we are covered on delegation. I am not sure how to create that verbiage but I would like to see that addressed.
RANDY CROZIER I would like to have it laid out and have a separate sheet that goes with the application that the board can sign off.
CHAIR BLAINE IPSON I would like some feedback on the signature block and I want to make sure we are covered on the delegation.
RANDY CROZIER I just want it laid out clearly so we know what we are delegating.
SHALAIN EDBERNARDI yes, we can do that and have a summary report that includes the board’s motion.
EMILY LEWIS it will be simple to add a sentence with the statute along with this to show that delegation.

2022 BOARD MEETING SCHEDULE

DIRECTOR’S REPORT
DIRECTOR CANDICE HASENYAGER we will go over water supply conditions and the water resources plan which is out for public comment currently (it closes Nov 15). There were some interim meetings last week that I will discuss as well. We are investigating a GSL basin study as well. We also want to introduce Michael Sanchez as our new Public Information Officer.
MICHAEL SANCHEZ it has been a great time spending time here my first few days. There has been a lot of information and Marty and Joel have been helping to fill me in. Please complete the training that Lindsay sent out and we do have our next meeting on December 7 which is a Tuesday.

CHAIR BLAINE IPSON we will waive our financial report for this meeting.

JULIETTE TENNERT moved to close the meeting and WAYNE ANDERSEN seconded. All approved and the meeting was adjourned at 10:21 am.
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SUMMARY OF BOARD ACTIONS

October 28, 2021

1. PAGE 1: The minutes from the September 16, 2021 meeting were approved. JIM LEMMON moved to approve the minutes, CHARLES HOLMGREN seconded, and all approved.

2. PAGE 1: RE427 Ashley Irrigation Company – the board approved the project. RANDY CROZIER moved to approve, NORM JOHNSON seconded the motion, and all approved.

3. PAGE 2: RE061, RE352, RE361 Ephraim Irrigation Company - the board approved the amendments to the projects. JIM LEMMON moved to approve, WAYNE ANDERSEN seconded the motion, and all approved.

4. PAGE 3: RE440 Nibley Blacksmith Fork Irrigation Company – the board approved the reauthorization and committal of funds. CHARLES HOLMGREN moved to approve, VICE-CHAIR KYLE STEPHENS seconded the motion and all approved.

5. PAGE 3: RE452 LINDON CITY – the board approved the secondary meter grant. WAYNE ANDERSEN moved to approve, CHARLES HOLMGREN seconded the motion, and all approved.

6. PAGE 5: PROPOSED BOARD DATES 2022 – the board approved the board dates as proposed. JIM LEMMON moved to approve, RANDY CROZIER seconded the motion, and all approved.

7. PAGE 5: JULIETTE TENNERT moved to adjourn the meeting, JIM LEMMON seconded the motion all approved. The meeting ended at 12:22.
THOSE PRESENT

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

STAFF MEMBERS PRESENT:
Candice Hasenyager, Director
Joel Williams, Assistant Director
Todd Stonely, Assistant Director
Shalaine Debernardi, Section Manager
Martin Bushman, AG Attorney
Randy Staker, Financial Analyst
Michael Sanchez, PIO
Jaqueline Pacheco, Engineer
Marisa Egbert, Engineer
Russell Hadley, Engineer (remote)
Thomas Moore (GIS Analyst)
Carmen McDonald, Engineer Technician (remote)
Paul Gedge, AV specialist
Lindsay Russell, Executive Administrative Assistant

OTHERS PRESENT:
Jake Pressett, Vice-Chair of Price River Conservation District
Dale J. Wilson, Board of Price River Water Users Association
Jay Humphrey, Manager with Emery Water Conservancy District
Craig Johansen, Board of Emery Water Conservancy District
Adam Cowie, City Administration with Lindon City
Ron Clegg, Engineer with Clegg Consult
Juan Garrido, Public Works Director with Lindon City
Van Broderick, City Council with Lindon City
Michael Larson, President of Ephraim Irrigation Company
Emily Lewis, Water Banking Project Manager with Clyde Snow
Nathan Bracken, with Clyde Snow
Smith Hartvigsen, with Clyde Snow
Jordan Nielson, Project Manager with Trout Unlimited
Sue Bellagamba, Canyonlands Regional Director with The Nature Conservancy
Kevin Cotner, President of Carbon Canal Company
Ryan Jones, Resource Coordinator with Utah Dept. of Ag & Food
Bill Butcher, PRWUA
CHAIR BLAINE IPSON called the meeting to order at 10:32 am
All board members were present
DIRECTOR CANDICE HASENYAGER announced all staff present

APPROVAL OF THE MINUTES
JIM LEMMON moved to approve, CHARLES HOLMGREN seconded and all approved.

SPECIAL ITEMS
RE 427 Ashley Irrigation Company
Wayne Simper (president)
JAQUELINE PACHECO Ashley Central Canal is open and aligned and approximately 9.6 miles long. The canal is over 100 years old and in a 2017 seepage loss study, it showed that the canal loses nearly 6,000 acre feet of water annually. The purpose of the project is to pipe and partially pressurize approximately 9.6 miles of canal within and near Vernal City to reduce seepage, increase conveyance efficiencies, and improve safety. They received funding from NRCS.
Staff recommends the board recommit 7.7% of the project cost, up to $1,000,000, and that the project be purchased at 0% interest over 25 years, with annual payments of approximately $40,000.
WAYNE SIMPER we appreciate your time and patience as we work through the environmental process and the grants.
VICE-CHAIR KYLE STEPHENS why was the WaterSMART grant dropped?
WAYNE SIMPER it was just a 15% match and the NRCS grant was a 75% match so it was just a better way for us to save money.

CHAIR BLAINE IPSON there were no public comments received on this project.
RANDY CROZIER moved to approve the project, NORM JOHNSON seconded the motion and after a vote, all approved and the motion passed.

RE061, RE352, RE361 Ephraim Irrigation Company
Michael Larson (Company President)
MARISA EGBERT the tunnel project brings water from Emery County to Ephraim in Sanpete County. The company received funding from the Board in 2005 and 2017 to replace canals with pipelines (RE061 and RE361), and in 2016 to rehabilitate the Ephraim Tunnel (RE352). All these projects were to improve their
irrigation system. For the tunnel project, there were some issues with the contractor which they were not able to work out in mediation but were ultimately able to come to an agreement outside of that. Staff recommends the board amend all three purchase agreements to state that principal payments will be deferred for 2021, 2022, and 2023, and will resume on March 1, 2024. Interest payments will be due on March 1, 2021, 2022, and 2023.

Staff also recommends that the board amend the purchase agreement for RE361 to state that the balance owed will be returned over approximately 18 years with annual payments of $62,500. The interest rate will remain as contracted.

MICHAEL LARSON we had a tough time with the contractor but we do have an agreement and if we can get this recommendation, it would work for us.

VICE-CHAIR KYLE STEPHENS does it present a problem regarding the late fees that the March 1, 2021 date has already passed?

SHALAINE DEBERNARDI no, we will work that out.

NORM JOHNSON how does Ephraim City come into this?

MICHAEL LARSON regarding the tunnel, the city has an agreement with the irrigation company to pay half of the tunnel costs. They have been kind enough to help out with some of the legal aspects as well.

JULLIETTE TENNERT is the agreement written?

MICHAEL LARSON yes, it is contracted.

CHAIR BLAINE IPSON there were no public comments on this project.

JIM LEMMON moved to amend the three purchase agreements as outlined in staff’s recommendation and to amend the purchase agreement for RE361 as outlined in staff’s recommendation. WAYNE ANDERSEN seconded the motion and all were in favor and the motion passed.

RE440 Nibley Blacksmith Fork Irrigation Company
Jay Tuddenham (secretary), Sid Zollinger (president), Jim Jensen (board), Steven Wood (sunrise engineering)

RUSSELL HADLEY This project is located in Cache County. The purpose of the project is to pipe 2,200 feet of canal with 42-inch pipe. The diversion will be paid for by Trout Unlimited and Wildlife Resources through a Watershed Restoration Initiative Grant. It was also decided that the pipe size should be increased to 42 inches and the mesh grate will be replaced with a moving electric grate. Bids did come in double the original estimates as well.

Staff recommends the board re-authorize and commit 55.7% of the project cost from the Revolving Construction Fund, up to $768,000 and that the project be purchased at 0% interest over 30 years, with annual payments of approximately $25,600.

JAY TUDDENHAM the canal bank is very fragile and the mesh screen can get plugged up and we don't want the nearby houses to flood.

STEVEN WOOD we are looking forward to this liability going away as we get this taken care of and we will also have more water available to water users.
CHARLES HOLMGREN will the help from Fish and Wildlife and Trout Unlimited on the diversion structure help with the ability to divert water?

JAY TUDDENHAM yes, it is a safety concern for us and this will help.

CHARLES HOLMGREN do you have an acreage number for the acres you are irrigation residentially versus the total irrigation?

SID ZOLLINGER the majority is agricultural but out of 2,400 shares, there are only about 25-30 that are residential.

CHARLES HOLMGREN and the watering time recommendation didn’t work out either because not irrigation during the day created confusion and mismanagement of the water.

JAY TUDDENHAM yes, when the water is there it has to be used because it is not like it is with a reservoir.

RUSSELL HADLEY they said that about 25 shares are used for lawn and garden water. They can irrigate one acre per share.

CHAIR BLAINE IPSON there were no public comments on this project.

CHARLES HOLMGREN moved to approve the reauthorization and committal of the project, VICE-CHAIR KYLE STEPHENS seconded the motion. All approved and the motion passed.

RE452 Lindon City
Adam Cowie (City Administrator), Ron Clegg (Consulting Engineer), Juan Garrido (Public Works Director), Van Broderick (Lindon City Councilmember)

MARISA EGBERT there are approximately 3,000 residential connections in Lindon City and about 250 secondary connections are already metered. The purpose of the project is to install about 2,600 secondary meters throughout Lindon City, mostly for residential connections, but also for commercial, industrial and institutional connections. The city is expecting to see up to 30% reduction through metering their secondary system connections, as well as lower operating costs. The city may come to the board for non-grant funding for their share of the cost.

Staff recommends the board authorize and commit 42.9% of the project cost, up to $1,205,000, as a secondary meter grant.

ADAM COWIE we are grateful for the support from our team and others. We are looking forward to having the secondary meters installed and connected. The city shouldn’t need to come back to the Board for funding of their cost share portion. The city has received money through the ARPA federal program.

MARISA EGBERT asked the city officials if there is additional grant money for the project with the ARPA funding.

ADAM COWIE no, that money has been provided to the city and is earmarked for sewer and water projects.

JULIETTE TENNERT thank you for being so forward thinking on this.

CHAIR BLAINE IPSON there were no public comments on this project.

WAYNE ANDERSEN moved to authorize and commit 42.9% of the project cost, up to $1,205,000, as a secondary meter grant; CHARLES HOLMGREN seconded the motion. After a vote, all approved and the motion passed.
NEW APPLICATIONS
RE453 Huntsville South Bench Canal Company
RE 454 West Cache Irrigation Company

LAKE POWELL PIPELINE REPORT
ASSISTANT DIRECTOR JOEL WILLIAMS provided an update on the hydrology and newer concerns with the project.
DIRECTOR CANDICE HASENYAGER with the uncertainty, Washington County Water Conservancy District is aggressively working to pursue water conservation measures. They are working with cities to implement water efficiency ordinances as part of their water strategy.

WATER BANKING REPORT
Ryan Jones, Emily Lewis, Bill Butcher, Sue Bellagamba (Nature Conservancy), Jake Pressett, Dale Wilson, Kevin Cottner, Phil, Jordan Nielsen (Trout Unlimited)
EMILY LEWIS provided an update to the Water Banking project and application process.
WAYNE ANDERSEN how many acres are under that irrigation area?
EMILY LEWIS 8,500-10,500 acres
KEVIN COTTNER currently, we have a few internal things to work through but we believe this is a good concept. The legal side of things is the struggle so we will need some more time to finalize the project. We just want to ensure our board members all agree that it is the best thing for our shareholders. We want to make this work before irrigation season 2022
EMILY LEWIS I appreciate their willingness to work through these legal discussions because we are also learning a lot. We want to make sure everyone feels comfortable with what is going on.
VICE-CHAIR KYLE STEPHENS it is good to see this level of enthusiasm from those participating.
BILL BUTCHER I just wanted to say that we are working through this process and we have our shareholders to think about as well. We will support this and we want to get the water bank done.
JORDAN NIELSEN I have been working in the Colorado River Basin for several years and we have worked on several projects that have led to this next step of Water Banking in Utah. We have had some pretty tough negotiations and we appreciate the staff and the board for their consideration on this.
EMILY LEWIS presented the remainder of the key steps and processes of the application process.
RANDY CROZIER please try to have clean and clear documents/contracts to avoid any complications.
CHAIR BLAINE IPSON we are making good progress with this and we can anticipate that the December meeting will be when we have the final documents to look through and vote on.

EMILY LEWIS we have some documents submitted to you to vote on and then once that is approved, we can submit the actual application for the first pilot project.

CHAIR BLAINE IPSON there were no public comments on this report and there will be no board action taken in this meeting.
PROPOSED 2022 DATES
CHAIR BLAINE IPSON it is proposed that we have meetings on:

There were no public comments on these dates.

JIM LEMMON moved to approve the dates for 2022 meetings and RANDY CROZIER seconded the motion. All approved and the motion passed.

DIRECTOR’S REPORT
DIRECTOR CANDICE HASENYAGER we are excited for the start of the new water year and how much moisture we have received (we are at 776% of normal). We have also had our Water Resources Water Plan sent out for public comment and we had a virtual open house on October 20th for that. The public comment period will end on November 15.
There were several interim legislative meetings last week. I presented at the Infrastructure and General Government Appropriation subcommittee meeting on White’s Valley. I was able to discuss Bear River Development along with that. At the Natural Resource Ag Environment appropriations subcommittee meeting, Director Brian Steed was able to present on the ARPA funds. There was $100 million appropriated to Water Resources: $50 million set aside for secondary metering that we will discuss at the next meeting, $25 million for Drinking Water, $20 million going to Ag optimization projects, and $5 million to GSL specific projects. Brian and I presented at the Natural Resources Ag and Environment Interim Committee meeting on drought and water conservation. We have been working with a number of stakeholders to see if we should submit an application for a Bureau of Reclamation (BOR) WaterSmart Basin Study that looks at an entire basin area. We would like to do a plan of study for the Great Salt Lake area. The plan is to submit this plan of study application this year and a larger basin study next year.

CHAIR BLAINE IPSON we are thankful for all the work the staff of the Division of Water Resources does for us and the State.
CRAIG JOHANSEN Strong’s law (when we conserve water, something has to die) so we should keep that in mind with our projects.

JULIETTE TENNERT moved to adjourn the meeting, JIM LEMMON seconded the motion and all approved. The meeting ended at 12:22 pm.