2022 Board Meeting Schedule

June 16, 2022 – Salt Lake City
August 4, 2022 – Salt Lake City
September 15, 2022 – (TBA) Provo River District
October 27, 2022 – Salt Lake City
December 6, 2022 – Salt Lake City
Agenda
Utah Board of Water Resources
Board Briefing Meeting
June 16, 2022
11:00 am

I. WELCOME/CHAIR’S REPORT
*Chair Kyle Stephens

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
June 16, 2022
11:00 AM Briefing
1:30 PM 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/WTzKkM211e8
Board Meeting: https://youtu.be/TJ3YzkeKM8I

APPROVAL OF MINUTES

BEAR RIVER COMMISSIONER:
Appoint new Upper Bear River Commissioner and Alternate Commissioner

DROUGHT UPDATE:
Laura Haskell

<table>
<thead>
<tr>
<th>Proj. #</th>
<th>Applicant</th>
<th>County</th>
<th>Proj. Manager</th>
</tr>
</thead>
<tbody>
<tr>
<td>RE458</td>
<td>City of South Salt Lake</td>
<td>Salt Lake</td>
<td>Jaqueline Pacheco</td>
</tr>
</tbody>
</table>

FEASIBILITY REPORTS:

COMMITTAL OF FUNDS:

<table>
<thead>
<tr>
<th>Proj. #</th>
<th>Applicant</th>
<th>County</th>
<th>Proj. Manager</th>
</tr>
</thead>
<tbody>
<tr>
<td>RE446</td>
<td>Provo River Water Users Association</td>
<td>Utah</td>
<td>Tom Cox</td>
</tr>
</tbody>
</table>

SPECIAL ITEMS:

<table>
<thead>
<tr>
<th>Proj. #</th>
<th>Applicant</th>
<th>County</th>
<th>Proj. Manager</th>
</tr>
</thead>
<tbody>
<tr>
<td>RE455</td>
<td>Uintah Water Conservancy District (Auth&amp;COF)</td>
<td>Uintah</td>
<td>Ben Maret</td>
</tr>
<tr>
<td>RE447</td>
<td>Draper Irrigation Company (Expansion of Scope)</td>
<td>Salt Lake</td>
<td>Russell Hadley</td>
</tr>
<tr>
<td>RD828</td>
<td>Kane County Water Conservancy District (Withdrawal)</td>
<td>Kane</td>
<td>Tom Cox</td>
</tr>
</tbody>
</table>

SECONDARY METER GRANT APPLICATIONS UPDATE:
Shalaine DeBernardi

FLIP BLITZ UPDATE:
Shelby Ericksen

LAKEPowell PIPELINE REPORT:
Eric Dixon

DIRECTOR’S REPORT:

ADJOURNMENT
## BOARD OF WATER RESOURCES
### REVOLVING CONSTRUCTION FUND

**Funding Status**  
**June 16, 2022**

<table>
<thead>
<tr>
<th>Projects Contracted This FY</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Consolidated Sevier Bridge Reservoir</td>
<td>RC023 <strong>Grant</strong> $1,000,000 (Add'l Amt.)</td>
</tr>
<tr>
<td>2 Emery Water Conservancy District</td>
<td>RG289 <strong>Grant</strong> $75,000</td>
</tr>
<tr>
<td>3 Emery Water Conservancy District</td>
<td>RG290 <strong>Grant</strong> $75,000</td>
</tr>
<tr>
<td>4 Kanab Irrigation Company</td>
<td>RE456</td>
</tr>
<tr>
<td>5 Koosharem Irrigation Co</td>
<td>RC058 <strong>Grant</strong> $3,645,000 (Add'l Amt.)</td>
</tr>
<tr>
<td>6 Koosharem Irrigation Co</td>
<td>RC058 <strong>Loan</strong> $405,000 (Add'l Amt.)</td>
</tr>
<tr>
<td>7 Nibley Blacksmith Fork Irrigation Co</td>
<td>RE440</td>
</tr>
<tr>
<td>Total Funds Contracted</td>
<td>$6,223,000</td>
</tr>
</tbody>
</table>

| Funds Balance | $7,983,000 |

<table>
<thead>
<tr>
<th>Projects with Funds Committed</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Ashley Central Irrigation Co</td>
<td>RE427</td>
</tr>
<tr>
<td>2 Consolidated Sevier Bridge Reservoir Co</td>
<td>RC023 <strong>Grant</strong> $17,100,000 (Add'l Amt.) 05/05/22</td>
</tr>
<tr>
<td>3 Huntsville South Bench Canal Co</td>
<td>RE453</td>
</tr>
<tr>
<td>4 Washington County Flood Contr. Auth. (Warner)</td>
<td>RC049 <strong>Grant</strong> $212,000 (Add'l Amt.) 03/22/17</td>
</tr>
<tr>
<td>5 Washington County Flood Contr. Auth. (Stucki)</td>
<td>RC050 <strong>Grant</strong> $88,400 (Add'l Amt.) 03/22/17</td>
</tr>
<tr>
<td>6 West Milburn Irrigation Company</td>
<td>RE442</td>
</tr>
<tr>
<td>Total Funds Committed</td>
<td>$18,960,000</td>
</tr>
</tbody>
</table>

| Funds Balance | $(10,977,000) |

<table>
<thead>
<tr>
<th>Projects Authorized</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Sunrise &amp; Bench Creek Irrigation Co</td>
<td>RE443 $580,000 01/28/21</td>
</tr>
<tr>
<td>2 West Cache Irrigation Co</td>
<td>RE454 $940,000 12/07/21</td>
</tr>
<tr>
<td>Total Funds Authorized</td>
<td>$1,520,000</td>
</tr>
</tbody>
</table>

| Remaining Funds Available | (End of year balance if all listed projects were fully paid) | $12,497,000 |

* To be presented at Board Meeting  
** Dam Safety Projects
### Funding Status

**June 16, 2022**

<table>
<thead>
<tr>
<th>Projects Authorized</th>
<th>City/Name</th>
<th>RL #</th>
<th>Amount</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Millville City</td>
<td>RL587</td>
<td>$1,598,000</td>
<td>12/05/19</td>
</tr>
</tbody>
</table>

**Funds Available for Projects This FY**

- **$7,761,000**

**Bonds Closed This FY**

- **1** Herriman City RL588 **Grant** $75,000
- **2** Powder Mountain Water & Sewer Imp Dist RL585 $1,779,000 (Add'l Amt)

**Total Bonds Closed**

- **$1,854,000**

**Funds Balance**

- **$5,907,000**

**Projects with Funds Committed**

- **1** None

**Total Funds Committed**

- **$-**

**Funds Balance**

- **$5,907,000**

**Projects Authorized**

**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*
## BOARD OF WATER RESOURCES

### CONSERVATION & DEVELOPMENT FUND

**Funding Status**  
*June 16, 2022*

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

### Projects Contracted/Bonds Closed This FY

<table>
<thead>
<tr>
<th>Project Name</th>
<th>RE Code</th>
<th>Funds Available (Add'l Amt.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Draper Irrigation Company</td>
<td>RE447</td>
<td>$1,402,500</td>
</tr>
<tr>
<td>Muddy Creek Irrigation Co</td>
<td>RE436</td>
<td>850,000</td>
</tr>
<tr>
<td>Peoa South Bench Canal &amp; Irrigation Co</td>
<td>RE417</td>
<td>265,000 (Add'l Amt.)</td>
</tr>
</tbody>
</table>

- **Total Funds Contracted/Closed:** $2,518,000
- **Funds Balance:** $96,110,000

### Projects with Funds Committed

<table>
<thead>
<tr>
<th>Project Name</th>
<th>RE Code</th>
<th>Funds Available</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consolidated Sevier Bridge Reservoir Co</td>
<td>RC023</td>
<td><strong>Loan</strong> $1,900,000</td>
<td>05/05/22</td>
</tr>
<tr>
<td>Midway Irrigation Company</td>
<td>RE438</td>
<td>490,000</td>
<td>01/27/22</td>
</tr>
<tr>
<td>Provo River Water Users Association</td>
<td>RE446</td>
<td>65,000,000</td>
<td>05/05/22</td>
</tr>
<tr>
<td>Uintah WCD</td>
<td>RE455</td>
<td>15,740,000</td>
<td>01/14/22</td>
</tr>
<tr>
<td>Willow Creek Irrigation Company</td>
<td>RE444</td>
<td>227,750</td>
<td>12/07/21</td>
</tr>
</tbody>
</table>

- **Total Funds Committed:** $83,358,000
- **Funds Balance:** $12,752,000

### Projects Authorized

<table>
<thead>
<tr>
<th>Project Name</th>
<th>RE Code</th>
<th>Funds Available</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Box Elder Cnty &amp; Perry City Flood Control Dist</td>
<td>RE369</td>
<td>$660,000</td>
<td>06/18/15</td>
</tr>
<tr>
<td>City of South Salt Lake</td>
<td>RE458</td>
<td>8,500,000</td>
<td>04/08/22</td>
</tr>
<tr>
<td>Draper Irrigation Co</td>
<td>RE450</td>
<td>18,700,000</td>
<td>09/16/21</td>
</tr>
<tr>
<td>Henefer Town</td>
<td>RE431</td>
<td>1,496,000</td>
<td>01/23/20</td>
</tr>
<tr>
<td>Provo City</td>
<td>RE444</td>
<td>36,750,000</td>
<td>03/23/22</td>
</tr>
<tr>
<td>Settlement Canyon Irrigation Co (Phase 2)</td>
<td>RE240R2</td>
<td>552,500</td>
<td>10/02/08</td>
</tr>
<tr>
<td>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>
</tr>
<tr>
<td>Veyo Culinary Water Association</td>
<td>RE445</td>
<td>969,000</td>
<td>03/17/21</td>
</tr>
<tr>
<td>Weber-Box Elder Cons Dist</td>
<td>RE400</td>
<td>1,687,000</td>
<td>08/10/17</td>
</tr>
<tr>
<td>Woodruff Irrigating Co</td>
<td>RE365</td>
<td>3,200,000</td>
<td>03/18/15</td>
</tr>
</tbody>
</table>

- **Total Funds Authorized:** $73,713,000
- **Remaining Funds Available:** (End of year balance if all listed projects were fully paid) $60,961,000

* To be presented at Board Meeting  
** Dam Safety Projects
Funding Status  
June 16, 2022

<table>
<thead>
<tr>
<th>Funds Available for Projects This FY</th>
<th>$ 2,000,000</th>
</tr>
</thead>
</table>

**Projects Contracted This FY**

<table>
<thead>
<tr>
<th>1 Lindon City</th>
<th>RE452</th>
<th>$1,205,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Funds Contracted</td>
<td>$1,205,000</td>
<td></td>
</tr>
<tr>
<td>Funds Balance</td>
<td>$795,000</td>
<td></td>
</tr>
</tbody>
</table>

**Projects with Funds Committed**

None

<table>
<thead>
<tr>
<th>Total Funds Committed</th>
<th>$-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funds Balance</td>
<td>$795,000</td>
</tr>
</tbody>
</table>

* 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>
</tr>
</thead>
<tbody>
<tr>
<td>1 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>
</tr>
<tr>
<td>2 Daniel Town</td>
<td>RL580</td>
<td>CWL</td>
<td>1,505,000</td>
<td>2,021,000</td>
<td>05/10/18</td>
</tr>
<tr>
<td>3 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>
</tr>
<tr>
<td>4 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>
</tr>
<tr>
<td>5 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>
</tr>
<tr>
<td>6 Hooper Irrigation Co (Press Irr, Ph 3+)</td>
<td>RE060R3</td>
<td>C&amp;D</td>
<td>11,033,000</td>
<td>12,980,000</td>
<td>01/25/02</td>
</tr>
<tr>
<td>7 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>
</tr>
<tr>
<td>8 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>
</tr>
<tr>
<td>9 Weber Basin WCD</td>
<td>RE312</td>
<td>C&amp;D</td>
<td>85,000,000</td>
<td>100,000,000</td>
<td>04/16/12</td>
</tr>
<tr>
<td>10 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>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td></td>
<td></td>
<td><strong>$ 169,614,000</strong></td>
<td><strong>$ 203,074,000</strong></td>
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</tr>
</tbody>
</table>

* New Application
Applicant: City of South Salt Lake

Project Number: RE458
Fund: Conservation and Development Fund
Cost Estimate: $10,000,000

Application Received: 4/8/2022
Board Meeting Date: 6/16/2022

Board Member: Juliette Tennert
Project Manager: Jaqueline Pacheco

Project Summary: The primary project is to develop a new well, pump station, and iron/manganese treatment plant. The applicant is requesting that any funds remaining from the primary project be applied towards a secondary project to replace the cast iron mainlines.

Recommendation: Staff recommends the board authorize 85% of the project cost, up to $8,500,000, and that the bonded indebtedness be returned at 1% interest over 30 years with annual payments of approximately $342,000 (including reserves).

Project Contacts:
Mayor: Cherie Wood
220 E. Morris Ave Ste 200
Salt Lake City, UT 84115
801-464-6767

Finance Director: Crystal Makin
220 E. Morris Ave Ste 200
Salt Lake City, UT 84115
801-412-3226

Engineer: Bill Bigelow
Hansen, Allen, and Luce, Inc.
859 S Jordan Pkwy Ste 200,
South Jordan, UT 84095
801-566-5599
**Location**
The proposed project is located in South Salt Lake in Salt Lake County.

**Introduction & Background**
The City of South Salt Lake provides culinary water to approximately 26,000 residents. There are approximately 2,445 residential, 766 commercial, 98 institutional, and 61 industrial connections. The water distribution system consists of about 50 miles of water main lines, 7 million gallons of water storage, three wells (only one is currently operable), and three pump stations.

**Existing Conditions & Problems**
The aging water system, with many unlined cast iron pipelines, contributes to red water issues in the system.

There are currently three active wells, but only one is in operation.

<table>
<thead>
<tr>
<th></th>
<th>Davis Well</th>
<th>700 East Well</th>
<th>300 East Well</th>
</tr>
</thead>
<tbody>
<tr>
<td>Well Yield</td>
<td>3,000</td>
<td>1,200</td>
<td>500</td>
</tr>
<tr>
<td>Well Depth</td>
<td>1,004</td>
<td>1,226</td>
<td>890</td>
</tr>
</tbody>
</table>

The 700 East Well is offline for repairs to the well casing, and the 300 East Well is not being used due to frequent red water problems.

Rapid growth has occurred in some areas of the city due to recent high-density developments. The applicant is in need of an additional water source to meet the city's need, especially during peak demand periods.

**Proposed Project**
The primary project is to develop a new well, pump station, and iron/manganese treatment plant. A well siting study is in progress to review the geology and land availability of the new well. It will consider the inactive well sites for possible re-drilling at those and other sites. Therefore, the exact location of the proposed well is pending.

The applicant is requesting that any funds remaining after funding the primary project, be applied towards a secondary project to replace the cast iron mainlines. They are aware that the funding is not sufficient to replace all of the lines; however, they do not want to exceed $8.5 million in board funds. The remainder of the lines would be replaced over time and financed by the applicant.

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

**Benefits**
The additional water supply will allow the City of South Salt Lake to meet increasing water demands. There will also be a reduction in the red water issues caused by elevated levels of iron and manganese in the system.
Cost Estimate
The following estimate is based on the engineer’s preliminary design and has been reviewed by staff. It includes only the well and its associated components:

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Quantity</th>
<th>Unit</th>
<th>Unit Price</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>New Well (20-in diameter &amp; 1,000-ft deep)</td>
<td>1,000</td>
<td>LF</td>
<td>$1,900</td>
<td>$1,900,000</td>
</tr>
<tr>
<td>2</td>
<td>Well Pump Station with Chlorine &amp; Fluoride</td>
<td>1</td>
<td>LS</td>
<td>1,500,000</td>
<td>1,500,000</td>
</tr>
<tr>
<td>3</td>
<td>Iron/Manganese Removal Plant (3,000 GPM)</td>
<td>1</td>
<td>LS</td>
<td>2,000,000</td>
<td>2,000,000</td>
</tr>
<tr>
<td>4</td>
<td>Connecting Pipeline</td>
<td>154</td>
<td>LF</td>
<td>100</td>
<td>15,400</td>
</tr>
</tbody>
</table>

**Construction Cost** $5,415,000

Contingency 542,000
Design & Construction Engineering 813,000
Legal and Administrative 163,000
Permits, Fees & Testing 163,000

**TOTAL** $7,096,000

The following estimate is based on the engineer’s preliminary design and has been reviewed by staff. It includes the well and its associated components, and the pipe replacements:

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Quantity</th>
<th>Unit</th>
<th>Unit Price</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>New Well (20-in diameter &amp; 1,000-ft deep)</td>
<td>1,000</td>
<td>LF</td>
<td>$1,900</td>
<td>$1,900,000</td>
</tr>
<tr>
<td>2</td>
<td>Well Pump Station with Chlorine &amp; Fluoride</td>
<td>1</td>
<td>LS</td>
<td>1,500,000</td>
<td>1,500,000</td>
</tr>
<tr>
<td>3</td>
<td>Iron/Manganese Removal Plant (3,000 GPM)</td>
<td>1</td>
<td>LS</td>
<td>2,000,000</td>
<td>2,000,000</td>
</tr>
<tr>
<td>4</td>
<td>Connecting Pipeline</td>
<td>154</td>
<td>LF</td>
<td>100</td>
<td>15,400</td>
</tr>
<tr>
<td>5</td>
<td>8-in PVC pipelines (valves, connections, etc.)</td>
<td>22,418</td>
<td>LF</td>
<td>200</td>
<td>4,483,600</td>
</tr>
</tbody>
</table>

**4-inch Pipeline Replacements**

**Construction Cost** $9,899,000

Contingency 990,000
Design & Construction Engineering 1,485,000
Legal and Administrative 300,000
Permits, Fees & Testing 300,000

**TOTAL** $12,974,000

There is a difference of approximately $5,878,000 between the two cost estimates. The requested cost sharing, totaling $10,000,000 would cover approximately 77% of the total cost of both project components, leaving a shortage of approximately $2,974,000.

Cost Sharing & Repayment
The recommended cost sharing and repayment are:
Staff recommends the board authorize 85% of the project cost, up to $8,500,000, and that the bonded indebtedness be returned at 1% interest over 30 years with annual payments of approximately $342,000 (including reserves).

**Economic Feasibility**
There is no alternative for the City of South Salt Lake to utilize their water rights under current conditions. Therefore, the benefit/cost ratio is 1.0.

**Financial Feasibility**
The board’s affordability guidelines suggest that the community can afford to pay $39.78 per month for water. Their current average monthly culinary water bill is approximately $38.25. The proposed repayment would exceed the affordability by $2.26.

<table>
<thead>
<tr>
<th>Water Cost</th>
<th>Annual Cost</th>
<th>Cost/Conn/Mo</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Water Bill</td>
<td>$1,122,255</td>
<td>$38.25</td>
</tr>
<tr>
<td>Estimated Decrease in Operation &amp; Maintenance Costs</td>
<td>(231,000)</td>
<td>(7.87)</td>
</tr>
<tr>
<td>Proposed Board of Water Resources Loan</td>
<td>342,000</td>
<td>11.66</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$1,233,255</strong></td>
<td><strong>$42.04</strong></td>
</tr>
</tbody>
</table>

The applicant’s pre-project annual operation and maintenance costs are close to $710,000. The estimated annual post-project operation and maintenance costs are about $410,000. This is an annual savings of $300,000 but is based on the completion of both projects. The $10 million would cover about 77% of both project components. Therefore, using 77% of the overall savings, the estimated decrease is approximately $231,000.

**Water Rights & Supply**
Water rights related to this project are as follows:

<table>
<thead>
<tr>
<th>Water Right Number</th>
<th>Flow (cfs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>57-1057</td>
<td>1.0</td>
</tr>
<tr>
<td>57-1058</td>
<td>0.82</td>
</tr>
<tr>
<td>57-3157</td>
<td>1.0</td>
</tr>
<tr>
<td>57-4261</td>
<td>0.06</td>
</tr>
<tr>
<td>57-8037</td>
<td>1.39</td>
</tr>
<tr>
<td>57-8683</td>
<td>2.61</td>
</tr>
<tr>
<td>57-8684</td>
<td>0.18</td>
</tr>
</tbody>
</table>
Easements
The applicant currently holds all easements and rights-of-way for the proposed project locations. The exact location is still to be determined.

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

Water Conservation
The project will not conserve any water.

Applicant’s Responsibilities
The applicant will be required to make all arrangements to sell the board a non-voted revenue bond, as well as verify it has adequate water rights and rights-of-way to construct the project. If the project is authorized, a full list of requirements and procedures necessary to close the bond will be furnished to the applicant.
Applicant: Provo River Water Users Association

Project Number: RE446
Fund: Conservation and Development Fund
Cost Estimate: $100,000,000

Application Received: 2/26/2021
Authorized: 6/17/2021
Re-Authorized: 5/5/2022

Board Meeting Date: 6/16/2022
Board Member: Wayne Andersen
Project Manager: Tom Cox

Project Summary: The purpose of the project is to modify the Deer Creek Dam intake structure and rehabilitate the existing guard gates without draining the reservoir. The project also includes constructing a permanent bypass intake and pipeline, and measures to address a potential quagga mussel infestation.

Recommendation: Staff recommends the board commit 65% of the project cost, up to $65,000,000, and that the bonded indebtedness be returned at 1% interest over 35 years with annual payments starting at approximately $1,100,000 the first year and increasing about $100,000 each year to about $1,500,000 the fifth year, and payments of approximately $2,487,000 the remaining 30 years (includes reserves).

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

Project Summary
In May of 2022 the board authorized 65% of the project cost, up to $65,000,000 for a project to make improvements to Deer Creek Dam. The proposed project will include modifying the intake structure and rehabilitating the existing guard gates, installing a bypass intake structure and pipeline, as well as adding measures to address quagga mussels. The new bypass will allow for multiple level intake for water quality purposes. Work will be accomplished in a way that will eliminate the need to drain the reservoir, and completing the bypass first will allow continual water deliveries. Construction is anticipated to begin in 2023 and may take up to three years to complete.

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

<table>
<thead>
<tr>
<th>Agency</th>
<th>Authorized Cost Sharing</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of Water Resources</td>
<td>$65,000,000</td>
<td>65%</td>
</tr>
<tr>
<td>Central Utah WCD</td>
<td>17,000,000</td>
<td>17</td>
</tr>
<tr>
<td>Other Funding (Loan or Grant)</td>
<td>11,000,000</td>
<td>11</td>
</tr>
<tr>
<td>Applicant</td>
<td>7,000,000</td>
<td>7</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$100,000,000</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Repayment
The board authorized funding terms of 1% interest and payments over 35 years with payments of approximately $1,620,000 the first five years and about $2,420,000 the remaining 30 years. After looking more closely at its budget, the applicant has requested a change in repayments.

Staff recommends the board commit 65% of the project cost, up to $65,000,000, and that the bonded indebtedness be returned at 1% interest over 35 years with annual payments starting at approximately $1,100,000 the first year and increasing about $100,000 each year to about $1,500,000 the fifth year, and payments of approximately $2,487,000 the remaining 30 years (includes reserves).
Applicant: Uintah Water Conservancy District

Project Number: RE455
Fund: Conservation and Development Fund
Cost Estimate: $27,058,000

Application Received: 1/14/2022
Board Meeting Date: 6/16/2022

Board Member: Randy Crozier
Project Manager: Ben Marett

Project Summary: Enclose Reaches II and IIIA of the open, unlined Steinaker Service Canal in a pipe.

Recommendation: Staff recommends the board authorize and commit 74.8% of the project cost, up to $20,237,000, and that the bonded indebtedness be returned at 1% interest over 30 years with annual payments of approximately $814,000 (including reserves).

Project Contacts:
Chairman: Quentin Johnson 2304 W. 2500 N. Vernal, UT 84078 435-790-3624
Manager: William Merkley 78 W. 3325 N. Vernal, UT 84078 435-621-4450
Engineer: Mike Collins, PE Bowen Collins & Associates 154 E 14075 S Draper, UT 84020 801-652-2630
Location
The proposed project is located in and near Vernal, Utah in Uintah County.

Introduction & Background
The applicant manages and operates the Vernal Unit of the Central Utah Water Project. The Vernal Unit’s major features are Steinaker Dam and Reservoir, Fort Thornburg Diversion, Steinaker Feeder Canal, and the Steinaker Service Canal.

The applicant delivers wholesale irrigation water from Steinaker Reservoir to nearly 15,000 acres in Ashley Valley via the Steinaker Service Canal. The canal extends south from Steinaker Dam for approximately 12 miles through Ashley Valley. Numerous turnouts into irrigation laterals deliver the water to independently managed irrigation companies.

In 2016 - 2017 the applicant completed work on the first phase of the canal enclosure project, which included piping approximately 3.3 miles of the Steinaker Service Canal, and was completed at a cost of approximately $10 million. The applicant expects the project to be completed in four phases, and this proposed project is the second phase. Additional sections will be completed as funds are made available. Once the entire canal is enclosed, the system will be pressurized.

The applicant has previously worked with the Board on two projects. In January 2008, the Board committed approximately $1.1 million to the applicant to install a pump station (RE036) and that project has been fully repaid. In June 2009, the Board committed approximately $4.5 million to install The Green River Pump Plant, a regulation pond, and a pipeline (RE212). These funds are scheduled to be fully repaid by January 2036.

Existing Conditions & Problems
The Steinaker Service Canal is currently partially piped. Reaches II and IIIA remain open, unlined, earthen canal. These canal sections pose a hazard to the public, lose water through seepage and evaporation, and require more maintenance than enclosed canals or pipes due in part to the introduction of trash and debris. These open canals also facilitate the transportation of salt downstream in the Colorado River Basin. A seepage loss study conducted from 2005 to 2011 estimated that as much as 15 percent of the water in the canal (as a whole) was lost to seepage and evaporation. This amounts to approximately 4,100 ac-ft per year.

Proposed Project
The proposed project will pipe Reaches II and IIIA with 72” HDPE pipe. When considered together, these reaches represent approximately 15,000 feet or 2.84 miles of pipe. The applicant will begin purchasing pipe as soon as funds are available. Construction is expected to begin after the conclusion of the 2022 irrigation season and continue through spring 2023. Design engineering is being provided by Bowen Collins & Associates. Construction monitoring will be carried out by the Bureau of Reclamation.

Benefits
The proposed project is expected to conserve over 1,000 ac-ft of water annually by reducing evaporative and seepage losses. The applicant expects to realize increased drought resiliency from the recovery of this water. Enclosing the canal in a pipe will prevent public access, thus reducing the
hazard to the public and the liability of the applicant. Piping the canal is expected to reduce the amount of trash and debris introduced into the system, which will improve water quality and reduce the amount of effort necessary to remove contaminants. It is also expected to reduce salt transport.

Cost Estimate

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

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Quantity</th>
<th>Unit</th>
<th>Unit Price</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Reach II</td>
<td>1</td>
<td>LS</td>
<td>$15,009,000</td>
<td>$15,009,000</td>
</tr>
<tr>
<td>2</td>
<td>Reach IIIA</td>
<td>1</td>
<td>LS</td>
<td>9,203,000</td>
<td>9,203,000</td>
</tr>
</tbody>
</table>

**Construction Cost:** $24,212,000

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Contingency</td>
<td>1,211,000</td>
</tr>
<tr>
<td>Design &amp; Construction Engineering</td>
<td>1,150,000</td>
</tr>
<tr>
<td>Legal and Administrative</td>
<td>485,000</td>
</tr>
</tbody>
</table>

**TOTAL:** $27,058,000

Cost Sharing & Repayment

The recommended cost sharing and repayment are:

<table>
<thead>
<tr>
<th>Agency</th>
<th>Cost Sharing</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board Share</td>
<td>$20,237,000</td>
<td>74.8%</td>
</tr>
<tr>
<td>Applicant Share</td>
<td>$3,571,000</td>
<td>13.2%</td>
</tr>
<tr>
<td>BOR - WaterSMART</td>
<td>$1,500,000</td>
<td>5.5%</td>
</tr>
<tr>
<td>BOR - Upper Colorado River Basin Fund</td>
<td>$1,750,000</td>
<td>6.5%</td>
</tr>
</tbody>
</table>

**TOTAL** $27,058,000 100.0%

The applicant was awarded a $1.5 million WaterSMART Water and Energy Efficiency grant for fiscal year 2020 – 2021 to implement the proposed project.

In 1956, the United States Congress passed the Colorado River Storage Project Act (CRSP). The CRSP authorized construction of the Colorado River Storage Project which allowed for comprehensive development of the water resources of the Upper Basin states. These activities are executed under the authority of the Bureau of Reclamation (BOR). The Upper Colorado River Basin Fund was later established under the CRSP for, among other things, the construction of CRSP facilities. The Division of Water Resources has entered into a Memorandum of Agreement with the BOR to fund a portion of the proposed project using these funds. The BOR has awarded $1.75 million to fund the enclosure of the Reach II portion of the proposed project.
Staff recommends the board authorize and commit 74.8% of the project cost, up to $20,237,000, and that the bonded indebtedness be returned at 1% interest over 30 years with annual payments of approximately $814,000 (including reserves).

**Economic Feasibility**

Although water associated with the proposed project is ultimately used for agriculture, the applicant is a water wholesaler with no direct end users. The applicant has limited to no control over the operation of the individual organizations which receive this water. It is impossible to predict how these various organizations use the water delivered to them. Through a complicated set of exchange rights within Ashley Valley, conservation in the Steinaker Canal is expected to benefit local agriculture, as well as municipal and industrial (M&I) water users. For these reasons, it is acknowledged that some economic benefit will be realized by implementation of the proposed project, but it is impossible to accurately and meaningfully predict what benefits will eventually be gained.

This phase of the project is expected to conserve approximately 1,000 ac-ft of water annually. The overall four-phase project, including the complete piping and pressurization of the Steinaker Service Canal, is expected to conserve approximately 4,100 ac-ft of water annually. While it is assumed that this water has some dollar value derived from increased crop production, increased M&I availability, reduction of salt transport, and other factors, this number is expected to shift substantially depending on the abundance or scarcity of water.

Given the discussion above, it is assumed that it is within the state’s best interest to assist with water conservation in the Steinaker Service Canal. For these reasons, the benefit-cost-ratio for this project is assumed to be 1.0.

**Financial Feasibility**

A debt service capacity analysis was performed by Lewis Young Robertson & Burningham. The analysis includes all incoming and outgoing expenditures of the applicant from 2017 to present and forecasted to 2026. The analysis concludes that the applicant presently has a debt service capacity of approximately $1 million, which is expected to increase through the end of the projection. Based on this analysis, the applicant has the financial capability to assume the bond payments recommended by staff.

**Water Rights & Supply**

All water rights associated with Steinaker Canal are owned by the BOR or are available by exchange.

Water rights related to this project are as follows:

<table>
<thead>
<tr>
<th>Water Right Number</th>
<th>Volume (ac-ft)</th>
</tr>
</thead>
<tbody>
<tr>
<td>45-2144</td>
<td>2,715 ac-ft</td>
</tr>
<tr>
<td>45-2049</td>
<td>31,458 ac-ft</td>
</tr>
<tr>
<td>45-4650 (E104)</td>
<td>1,400 ac-ft</td>
</tr>
<tr>
<td>45-5649 (E1388)</td>
<td>200 ac-ft</td>
</tr>
</tbody>
</table>
Easements
The canal is located within existing easement owned by the BOR. No additional easements will be required for the proposed project.

Environmental
In September 2014, the BOR completed an Environmental Assessment of the project area. The assessment defines an area of potential affect (APE) as being a 100-foot wide corridor running the length of the canal. Within the APE, it was determined that two sites of cultural significance would be adversely affected by the project. As required by federal statute, an MOA would be developed to resolve any adverse effects including such signatories as the BOR, the applicant, the Advisory Council on Historic Preservation, and the Utah State Historic Preservation Office.

Ute Ladies’-tresses (a threatened species of orchid) were identified in multiple locations along the canal banks. As part of a mitigation effort required by a completed biological assessment, the applicant funded the collection, germination, transplantation of seeds of Ute Ladies’-tresses. Beyond the measures taken to protect Ute Ladies’-tresses and the sites of cultural significance, a Finding of No Significant Impact (FONSI) was issued in 2014 for piping the entire length of the Steinaker Service Canal.

Water Conservation
The proposed project is expected to conserve over 1,000 ac-ft of water annually through elimination of groundwater seepage and evaporative losses.

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

Proposed Canal Piping Project
Uintah County

Proposed Canal Piping II
Proposed Canal Piping IIIA
Steinaker Service Canal

T4S, R21E: Sections 27 & 34
T5S, R21E: Sections 2 & 3
Applicant: Draper Irrigation Company

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

Application Received: 4/8/2021
Authorized: 6/17/2021
Committed: 6/17/2021
Board Meeting Date: 6/16/2022

Board Member: Juliette Tennert
Project Manager: Russell Hadley

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

Recommendation: Staff recommends the board allow the remaining funds to be used to replace mainlines and install meter boxes in the Somerdowns Subdivision.

Project Contacts:

President: Ryan Daw
Secretary: Dale Smith
Engineer: Jon Oldham
12421 E. 800 E.
13089 S. Ptarmigan Gate Rd
154 E. 14075 S.
Draper, UT 84020
Draper, UT 84020
Draper, UT 84020
801-916-9111
801-641-8988
801-495-2224
Location
The proposed project is located in Draper City in Salt Lake County.

Project Summary
In June of 2021, the board committed $1,402,500 to the applicant to install approximately 4,800 feet of 6-inch PVC pipeline, and 73 meter boxes and service appurtenances. The applicant already owns the meters that will be installed as they were purchased as part of another project. The project is nearly complete and will be under budget by about $700,000.

The applicant is requesting to use this remaining money for a separate, but similar project southeast of the current project. The proposed work would include replacing about 2,300 feet of lawn and garden mainlines and installing 20 meter boxes in the Somerdowns subdivision. The original mainlines were installed in the backyards of this subdivision’s homes and were poorly installed by the developer. The applicant will install the new lines and meter boxes in the parking strips and streets.

Cost Estimate
The total estimated cost of the proposed project is approximately $950,000, and the applicant has funds available to pay for the difference.

Staff recommends the board allow the remaining funds to be used to replace mainlines and install meter boxes in the Somerdown Subdivision.
Applicant: Kane County Water Conservancy District

Project Number: RD828
Fund: Conservation and Development Fund

Application Received: 4/1/1993
Board Meeting Date: 6/16/2022

Project Manager: Tom Cox

Project Contact: General Manager: Mike Noel
725 East Kaneplex Drive
Kanab, UT 84741
435-644-3997

Location
The project is located in the Kanab area in Kane County.

Summary
In 1993 the Kane County Water Conservancy District submitted an application to the board for a storage reservoir in the Kanab area. Water Resources staff conducted an investigation of potential dam sites upstream of Kanab but due to heavy sediment loading in Kanab Creek, none of the locations were pursued. Around 2010, the district constructed Jackson Flat Dam which is located south of the city under a different project application with the board.

The district has located a potential dam site upstream of Zions National Park on the East Fork of the Virgin River near Orderville, which they are pursuing. They are working with Washington County WCD and the NRCS in funding the project. The project is beginning an Environmental Impact Study and it is anticipated project construction will not proceed for several years. If Water Resources funding is needed, a new application will be submitted at that time.

Staff therefore recommends the funding application be withdrawn from further consideration by the board.
Applicant: Weber Basin W C D

Project Number: RE225
Fund: Conservation and Development Fund

Authorized: 8/10/2007
Phase 1 Committed: 8/10/2007
Phase 2, 3 Committed: 6/11/2009
Phase 4 Committed: 3/18/2015

Board Meeting Date: 6/16/2022

Project Manager: Tom Cox

Project Contact: General Manager: Scott Paxman
2837 East Highway 193
Layton, UT 84040
801-771-1677

Location
The projects are located within the district’s service boundaries in Davis, Weber, Morgan, Box Elder and Summit counties.

Summary
In August 2007 the board authorized a group of projects estimated to cost $90 million that included expansion of a water treatment plant, installation of pump stations and pipelines, expansion of a secondary irrigation system, improvements to the dam at Willard Bay, drilling culinary wells, expansion of the district’s aquifer storage and recovery (ASR) program and improvements to its aqueducts.

Since initial project authorization, the board has committed a total of $18.68 million of which $2.2 million (Phase 3) was never bonded, and $7 million (Phase 5) was never committed. Most of the originally authorized work has been completed with board, federal and district funds. Additional work on the remaining authorized projects doesn’t appear imminent and the district requests the project be closed out.

Staff therefore recommends Phases 3 and 5 of the project be withdrawn from further consideration by the board and the project be closed out.
Secondary Meter Grant Applications Update
June 16, 2022

Funding Availability

The Utah Legislature appropriated $250 million in American Rescue Plan Act (ARPA) grant funds to the Board of Water Resources. These funds are to be made available to providers of pressurized secondary irrigation water for the installation of meters on existing systems. Current applicants may be eligible for a grant of up to 70% of the applicant’s project costs.

Status

- Received almost 70 applications
  - 44 requested loan funds
- Approximately $200 million in grants requested
- Approximately $57 million in loans
- Will open another application period June 15 – July 30

Work ahead

- Water Resources staff will review applications and verify information provided
  - Applicant eligibility
  - Timeline
  - Number of meters
  - Plans
  - Total cost
- Staff will prepare reports for Board consideration
- The Board will enter into a legal agreement with each successful applicant
- Grant funds must be contracted by December 31, 2024
- Grant funds must be spent and construction completed by December 31, 2026

Presented by Shalaine DeBernardi, Assistant Director
Flip Blitz 2022 Update
June 16, 2022

- Background:
  - Flip Blitz is a promotional campaign to remove grass from park strips and replace it with waterwise landscaping on one day
  - The goal of Flip Blitz is to get more examples of waterwise landscaping in neighborhoods and cities
  - The first Flip Blitz took place in September 2021 when Division of Water Resources converted four residential park strips
  - After a successful fall Flip Blitz, we expanded through partnerships with water conservancy districts, counties and cities

- 2022 Flip Blitz
  - Date: May 19, 2022
  - Locations: Statewide, Counties included: Carbon County, Davis County, Utah County, Washington County, and Weber County
  - Grass removed: Over 120,000 square feet of grass was removed and replaced with waterwise landscaping. Washington County Water Conservancy District removed just over 102,000 square feet in their county alone
  - Meta and Bonneville Environmental have partnered with Central Utah Water Conservancy District to help fund Flip Blitz within Utah County. Other projects were funded by cities, water districts, and the state
  - Participating partners: Bonneville Environmental Group, META, GovFriend, Wards Landscape and Garden Center, Ryan Davis with Western Roots Wholesale, Brandon Miller with Ikon Landscaping, Central Utah Water Conservancy District, Weber Basin Water Conservancy District, Washington County Water Conservancy District, Jordan Valley Water Conservancy District, St. George City, Santa Clara City, Washington City, Hurricane City, Ivins City, Toquerville City, Clearfield City, Washington Terrace City, Layton City, Price City, Utah State University Eastern Campus, Utah State University Prehistoric Museum, Localscapes.com, utahwatersavers.com

Presented by Shelby Ericksen, Water Conservation Coordinator
Lake Powell Pipeline Update
June 16, 2022

- Bureau of Reclamation working on Supplemental Draft Environmental Impact Statement (SDEIS)
- Colorado River modeling and evaluation
- Public education and outreach
- Evaluating La Verkin Hot Springs
- Water rights change application – Waiting for State Engineer’s decision
- Potential federal administration changes
  o Waters of the United States (WOTUS) – Regional roundtables
  o Grand Staircase-Escalante National Monument (GSENM) boundaries
- Ongoing coordination with Basin States
- Additional permitting efforts to be completed
  o Bureau of Reclamation Section 14 Agreement
  o Bureau of Land Management preparing Historic Properties Treatment Plan
  o Army Corps of Engineers 404 Permits and Utah 401 Certification
  o Fish and Wildlife Service Biological Opinion
- Project Timeline
  o Supplemental Draft EIS
  o Final EIS
  o Record of Decision
  o Final Design and Financing Plan
  o Construction
- Contracts Update
  o Stantec Contract
  o Bureau of Reclamation Task Order
  o Bureau of Land Management Cost Recovery Agreement

Presented by Eric Dixon, Senior Engineer
Unapproved

BOARD OF WATER RESOURCES
BRIEFING MEETING
MINUTES
May 5, 2022

Utah Department of Natural Resources
BOARD OF WATER RESOURCES
Briefing Meeting Minutes
Department of Natural Resources
Salt Lake City, Utah
May 5, 2022
10:00 am

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

STAFF PRESENT
Director Candice Hasenyager
Deputy Director Joel Williams
Assistant Director Shalaine DeBernardi
Assistant Director Todd Stonely
Josh Zimmerman
Tom Cox
Shannon Clough
David Gunther
Aaron Austin
Marisa Egbert
Steven Gregerson

CHAIR KYLE STEPHENS called the meeting to order at 10:00 am.
DIRECTOR CANDICE HASENYAGER announced those present.

DISCUSSION OF BOARD AGENDA ITEMS:

CHAIR KYLE STEPHENS any changes to the minutes from the March 23rd meeting. BLAINE IPSON I had some minor typos, got with Shannon, and had them fixed. CHARLES HOLMGREN I just had some typos I needed changed.
CHAIR KYLE STEPHENS I have already called that attention to Shannon to have fixed it.

DIRECTOR CANDICE HASENYAGER introduced her new administrative assistant Shannon Clough, and made the announcement of the new Assistant Director over the Development Branch Shalaine DeBernardi.

PROJECT ITEMS/SPECIAL ITEMS

RC023 Tom Cox
Consolidated Sevier Bridge Reservoir Co.

BLAINE IPSON this project is a relatively big project dollar wise and also big in general. Sevier Bridge Reservoir is the largest privately-owned reservoir in the state of Utah. Back in the early 2000’s they had Phase I of improvements that needed to be done in order to meet the new dam safety standards. They only did part of those improvements, because funding wasn't available. Phase I was completed in 2004. Phase II will be to upgrade existing spillway and structure and downstream embankment issues. They have been waiting for funding to become available to do this. It's a spillway project and also downstream embankment, right now the estimates are $21 to 22 million. There's only $19 million available funding total and available for the grant portion of it. If it doesn't come in under budget, they will come back and ask for more. Just so you are aware, I am a stockholder in each irrigation company, so I will not be making any motions or doing any voting.

CHAIR KYLE STEPHENS asked NORM JOHNSON to make a motion in lieu of BLAINE IPSON.

BLAINE IPSON I would also like to publicly acknowledge TOM COX for the wonderful work on this project and the folks appreciate all the effort you have put into this.

TOM COX gave an overview of the proposed project. The cost estimate has increased to $27 million. Three million of that increase is because of something that the Office of Dam Safety wants to include. Prices have gone up, construction materials are higher, and labor has gone up. This cost estimate has a hefty contingency of $5 million, a quarter of the construction costs. Right now we have $17.1 million in grant money available. That is all we can commit right now. They do need the funds now to finish the engineering and the prepayments on the spillway gates. Staff recommends the board commit 90% of the current cost, up to $17,100,000, as a dam safety grant and 10% of the project cost up to $1,900,000, as loan from the C&D fund to be returned at 0.1% interest over 15 years with annual payments of approximately $127,700. The grant
money, plus the loan money that would be committed today should be enough to complete the spillway portion, which is the most important. We anticipate in an August or September meeting for them to come back, because I don't think the $19 million will cover everything. We will have to get creative on how to fund the rest. I just want you to be aware of the costs. What you are doing today is just the first step so they can continue to keep going. The company is getting frustrated about their rising costs. I don't think they will be asking for a higher cost share percentage of the grant.

CHAIR KYLE STEPHENS you made the comment Tom about we will have to do some creative financing. Will the Division have the ability and flexibility to do that if it's necessary in the future for that type of a funding scenario.

TOM COX I think we will. Based on the cost estimate, we would need $24.5 million in grants to cover 90% and we only have $17.1 million right now. They will need $7.4 million or more, which is almost two years worth of our normal annual appropriations for Dam Safety. We’d have to string that out. We have other projects in line that we need to fund, we may give them the $7.4 million extra in loan money, and then when the dam safety grant is available, the board will commit that and we would use the grant money to pay down the extra loan amount.

CHAIR KYLE STEPHENS is that 0% loan money? And where is that funding coming from?

TOM COX it will be from the C&D fund. We are giving them a 0.1% interest rate. That's basically $1,000 of interest on every $1 million.

CHAIR KYLE STEPHENS Has this been discussed with them and are they aware of that being a potential in order for the project to move forward?

TOM COX they are aware and they still need to take it to their Board for approval. They are anxious and want to get this project over with.

CHAIR KYLE STEPHENS What is the projected timeline for construction to begin?

TOM COX July or end of August. Construction would start and take a year or more.

CANDICE HASENYAGER we recognize that Dam Safety funds are limited. We are looking to add a building block for Dam Safety funds. There's no guarantee on getting that, but we will make the request because the need is out there.

RE446 Provo River Water Users Association

WAYNE ANDERSEN they're not looking for a commitment of funds today. I met with them and suggested that they come a month before they are needing the funds and update the board and their plan.

TOM COX construction won't start for a while but they will need funds now to finish engineering and purchase materials. They being an association, we will need to bond with them. It's not a simple purchase agreement. The price has gone up from
$60,000,000 to $100,000,000. The purpose of the project is to modify the Deer Creek Dam intake structure and rehabilitate the existing guard gates. They are also proposing to include an outlet bypass intake structure and pipeline. It is a federal project so they are under strict federal regulations, they will need approval by the feds on what they do. The cost of materials and labor has increased to $100,000,000. This is the estimate for today. They are planning on applying for ARPA funds. They did go through the legislature last session and they were denied those funds because it was suggested that they go to Water Resources first. This project will probably take 3 years, giving them some more time to ask the legislature and have other options where they can apply with other divisions like Drinking Water. When they first came to the board they had dual applications, one to us and one to the Division of Drinking Water for the full amount. They are also applying for some other federal grants that they have not heard back from. **Recommendation is the Board authorize 65% of the project cost, up to 65,000,000, and that the bonded indebtedness be returned at 1% interest over 35 years with annual payments of approximately $1,620,000 the first five years and about $2,420,000 the remaining 30 years.**

CHAIR KYLE STEPHENS did the Legislature hold ARPA funding in reserve? Has it been fully allocated? Will it be the same? CANDICE HASENYAGER my understanding is that they have committed the bulk of them. I will need to verify that in between our meetings.

BLAINE IPSON do they plan on using the permanent bypass on a regular basis? TOM COX They're planning on using that.

**SPECIAL ITEM WITHDRAWAL**
The projects to be withdrawn from further consideration by the Board. The following withdrawals will not need presentation. BLAINE IPSON to make the motion.

RE448
RE451
RL584

**NEW APPLICATION**
RE458
City of South Salt Lake. Just information at this time only, no action.

**TRANSPARENT WATER BILLING GRANT**

JOSH ZIMMERMAN one small correction on the page when you look under Clinton City and West Point City you'll see that Davis and Weber Canal Company is only under
West Point it should be under Clinton City as well. Davis and Weber Canal Company is a co-applicant on these and in every step of the way, they are just as important as the primary applicants. My intent was to get Davis and Weber listed to acknowledge their contributions. That is an oversight I made and I think that's worth correcting. I will go over everything at the board meeting.

BEAR RIVER DEVELOPMENT

MARISA EGBERT discussed the two properties that have been purchased.

LAKE POWELL PIPELINE

ERIC DIXON will discuss at the Board Meeting.

CHAIR KYLE STEPHENS this concludes the agenda items that are on the Board agenda today. We will turn the time over for information to the Board.

DIRECTOR CANDICE HASENYAGER our first item is Status of Funds.

SHALAINE DEBERNARDI provided an overview and update. It's May and we are nearing the end of a fiscal year, so they don't look that great. We are in the hole on several of them, but of course we are not going to spend it all in the next two months. We are actually doing good. We did not prepare a sheet for you yet for the $250,000,000 Secondary Water Meter Grant because we aren't asking you to consider anything yet. But the next fiscal year we'll have that added to the Status of Funds. We updated it with the request from today for the Sevier Bridge and Provo River. The C&D fund looks way in the red. But as you'll recall it's been discussed before, July 1st will be the last payment on the Board's Recapitalization Bonds and then the money that's been sitting in that account to hold for those payments will be transferred back to the C&D funds. July 1st, the balance will look better.

CHAIR KYLE STEPHENS looking at the dates of some of those projects being authorized, one being Settlement Canyon in 2008 another one Weber Basin Phase 5 in 2007, what is the status of those? Have they been authorized? How long can they sit? Do they intend to come to the board at some point?

SHALAINE DEBERNARDI Some want to come to the board at some point. Some have decided on the next phase. I am working with some project managers to get this resolved. We can't remove them without an official withdrawal. We are working with some of the applicants. Number nine-Weber Basin-is there twice and we will get that fixed. Maybe next time we can just have that withdrawn.
TOM COX the $7,000,000 that is listed in the C&D is still there. In 2007 is when they came before the Board. There's been multiple phases. The last phase was in 2017, so they have been using the money. We were holding that for a placeholder at one point, we talked to them and they were fine with us withdrawing that. I will talk to them again and see where they stand. They did use the bulk of the money that the board authorized and committed.
CHAIR KYLE STEPHENS thanks for the clarification.

DIRECTOR CANDICE HASENYAGER I would like to have JOEL WILLIAMS go over the legislative update.
JOEL WILLIAMS gave an update on Legislative Bills. One particular bill asks the Board to adopt rules for HB 269-Capital Assets Related to Water, sponsored by Kevin Stratton and the Senate sponsor Scott Sandall. It talks about capital assets management plans, wastewater, drinking water and conservancy districts. At the end of the Bill they mention the Board of Water Resources shall make rules to establish the elements of a capital asset management plan for a water provider, that is a water conservancy district. The next line also mentions that conservancy districts in Section 73-10g 402(3) are not subject to this section. The ones that have a revenue operating an annual budget over $5,000,000. The big four districts would not fall under this. They are asking the Board what the capital asset plan should have in it. I recommend we take the rules that already exist, that are already in code for the four big districts. Do we want to make any changes as we adopt requirements for these smaller conservancy districts? We are looking to when and how these should be updated? We will send out the existing code to the Board and some of the staff. We can see what requirements would make sense.
CHAIR KYLE STEPHENS it sounds like a reasonable approach to start that process. As you provide the information to us it will give us an opportunity to review it and provide feedback.
WAYNE ANDERSEN Who looks at these reports?
JOEL WILLIAMS water providers. I think the idea of it is hoping that it's benefitting the providers themselves. Drinking Water and Water Quality do review them because they work with those communities to try to help them with funding.
CHAIR KYLE STEPHENS If they came to this Board for funding and they didn't have the capital assets plan complete then they wouldn't be eligible to apply for funding.
WAYNE ANDERSEN in a well managed situation it would be done anyway.
DIRECTOR CANDICE HASENYAGER the legislation made the change that they would have to come to the Drinking Water Board, the Water Quality Board or the Board of Water Resources for funding, so it was modified to make that change.
JOEL WILLIAMS the other bill is HB 121 Conservation Modifications. It doesn't require rulemaking by the Board. It will require some rules proposed by the division. We are still working on this Bill.
CHAIR KYLE STEPHENS SB 111 that will remove the water positions on CIB. New law took effect yesterday. The Board of Water Resources Chairman, and the Chairman of Water Quality are no longer part of the Community Impact Board.

DIRECTOR CANDICE HASENYAGER update on the tour. It is in the Provo River district. Ben Marrett has been assigned to work on that tour. It will be on September 14th, in conjunction with our luncheon and part of our 75th anniversary celebration for the Board.

The Secondary Metering Grant Application period is open. It opened on April 1st. And will close on May 15th. We have had about fifteen applicants. We are getting a lot of interest and we still have about two weeks left. Part of the secondary metering grant funds were appropriated money to hire five new positions to help with this effort. I did just hear back from the Governor's office about the ARPA question: the legislature left $100,000,000 unappropriated but this is in ARPA capital projects fund, which is a separate funding source. All the funds that could be used for water infrastructure have been appropriated.

Introduction of our new employee DAVID GUNther. He's a GIS analyst. He has been working in the Technical Services Section.

CHAIR KYLE STEPHENS moved to adjourn BLAINE IPSON motioned and NORM JOHNSON seconded. All approved and the meeting was adjourned at 11:11am.
The Utah Board of Water Resources meetings are regularly streamed live and are recorded so citizens can watch them later. Please use the following link to access the most recent recordings: https://goo.gl.UfyPQn

Unapproved

BOARD OF WATER RESOURCES

MEETING MINUTES

May 5, 2022

Utah Department of Natural Resources
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1. PAGE 1: The minutes from March 23, 2022 meeting were approved. BLAINE IPSON moved to approve the minutes and NORMAN JOHNSON seconded the motion. After a roll call vote, all approved and the minutes were approved.

2. PAGE 2: RC023 Consolidated Sevier Bridge Reservoir Co.-NORMAN JOHNSON moved to commit 90% of the current cost, up to $17,100,000, as a dam safety grant and 10% of the project cost, up to $1,900,000, as a loan from the C&D fund to be returned at 0.1% interest over 15 years with annual payments of approximately $127,700, WAYNE ANDERSEN seconded the motion. All voted in favor and the motion passed.

3. PAGE 3: RE446 Provo River Water Users-WAYNE ANDERSEN moved to authorize 65% of the project cost, up to $65,000,000, and that the bonded indebtedness be returned at 1% interest over 35 years with annual payments of approximately $1,620,000 the first five years and about $2,420,000 the remaining 30 years (includes reserves), RANDY CROIZER seconded the motion. All voted in favor and the motion passed.

4. PAGE 4: RE448 Centerfield City Utah, RE451 Salem City, RL584 Monroe City-CHAIR KYLE STEPHENS the next three special Items we will consider together. All are withdrawals. BLAINE IPSON moved to make moved to make motion to have the three projects be withdrawn and NORM JOHNSON seconded. After a roll call vote, all approved and the motion passed.

5. PAGE 4: RE458 City of South Salt Lake-Item of note of a new applicant, and will be considered at a future meeting.

6. PAGE 6: ADJOURMENT-WAYNE ANDERSEN moved to adjourn and BLAINE IPSON seconded it. All approved and the meeting was adjourned at 2:57pm.
THOSE PRESENT

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

STAFF MEMBERS PRESENT:
Candice Hasenyager, Director
Joel Williams, Deputy Director
Todd Stonely, Assistant Director
Shalaine Debernardi, Assistant Director
Randy Staker, Financial Analyst
Eric Dixon, Engineer
Tom Cox, Engineer
Stephen Gregerson, Project Funding Specialist
Josh Zimmerman, Water Conservation Specialist
Marisa Egbert, Engineer
Wendy Crowther, Attorney

OTHERS PRESENT:
Jordan Clayton, NRCS
Keith Denos, Provo River Water Users Association, General Manager
Johnathan Ward, Zions Public Finance, Senior Vice President
Mark Anderson, Zions Public Finance, Vice President
Sam Fankhauser, AE2S, Engineer

Jeff Budge, Provo River Water users Association, Operations & Engineering Manager

Anne Taylor, Citizen
CHAIR KYLE STEPHENS called the meeting to order at 1:00 pm and announced the Board members present.
DIRECTOR CANDICE HASENYAGER announced staff present as well as others.

APPROVAL OF THE MINUTES
BLAINE IPSON moved to approve the minutes and NORMAN JOHNSON seconded the motion. After a roll call vote, all approved and the minutes were approved.

NRCS WATER SUPPLY/DROUGHT REPORT
JORDAN CLAYTON provided an update on the snow report.

PUBLIC COMMENTS:

Anne Tanner (Citizen) left a comment online for the Board.
RANDY STAKER read the comment. With the Governor's recent declaration of Emergency due to severe drought what measures are in place to ensure that appropriate budgeting of water is occurring for new housing developments? For example, if a developer buys four single-family homes and plans to tear those houses down and build a 24 unit apartment building does the developer need to purchase water rights for the additional water that will be used for the increased number of people that will be living in the new space. If not, why not? How is the doctrine of prior appropriation being carried out when it comes to new developments in the state. If we run out of water, will water be turned off to new developments first before it will be turned off for residents who have prior dates to the water? How does the doctrine of prior appropriation work in regards to new housing developments. I want to thank you for all your
time and work helping ensure the water resources in the state are properly looked after and safeguarded.

DIRECTOR CANDICE HASENYAGER the Board doesn't need to respond. We are happy to follow up with Anne and provide her with what information we can.

**COMMITTAL OF FUNDS**

RC023  Consolidated Sevier Bridge Reservoir Co.
Andy Nickle (President) Jared Smith (Vice-President) Thayne Clark (Engineer-Bowen Collins & Associates)

TOM COX Sevier Bridge Dam is owned and operated by the Consolidated Sevier Bridge Reservoir Company in Juab County, more commonly known as Yuba Reservoir. If you drive down south on the freeway, south of Nephi, you see the Yuba Reservoir sign. That's where it's at and you can't see the dam from the freeway. The dam was constructed in the early 1900s, and enlarged to its current configuration in 1916. It is 92 feet high, 1,340 feet long and storage capacity is about 236,000 acre feet. The capacity is the largest privately-owned reservoir in the state. Back in 2003 and 2004, Phase I of a safety upgrade project was completed, costing nearly $3.5 million dollars. That included outlet improvements, installing new control gates and addressing upstream stability issues. At that time those issues were taken care of but there wasn't enough Dam Safety grant money to complete the whole project, so it was divided up into two phases. Phase II is ready. It will include removing and replacing the existing spillway structure and gates, improving the downstream foundation materials, adding a stability berm and installing drains. They need funds now in order to complete the engineering and to make down payments on the control gates for the spillway. It is anticipated that bids will be opened in mid-June or first part of July. We have shown a total estimated cost which is out of date. We just updated it yesterday and now it's about a $27,000,000 project. It's up about $4 million from the last figures that are in the report. The Board currently has only $17.1 million in grant funds available at this time, that is all that can be committed. We're looking at $24.5 million of grant money that will be needed for the project. That is not available right now, but because the applicant needs the funds to continue with the project staff recommends the Board commit 90% of the current cost, up to $17,100,000, as a dam safety grant and 10% of the project cost, up to $1,900,000, as a loan from the C&D fund to be returned at 0.1% interest over 15 years with annual payments of approximately $127,700.

Most of the people involved in the Sevier Bridge Dam are also involved in the DMAD Dam. The standard upgrade work was recently completed on that dam, and so most of the people involved are paying back a loan that they received. They will be paying off two large projects at one time.
CHAIR KYLE STEPHENS invited the project sponsors to introduce themselves. BLAINE IPSON this is a big project and the companies just went through another big project. They would like to get it done asap. The $17,100,000 probably is not going to finish the project this year. Hopefully things can be worked out to facilitate getting as much done as they can. These folks take the safety of their dam seriously and they take their water seriously. I've been very impressed with the management of it. The DMAD Reservoir was completed nine months ahead of schedule and several million dollars under budget. I will mention I have stock ownership in each of those companies, I will have to excuse myself from making any motions or voting on this.

CHAIR KYLE STEPHENS as TOM COX mentioned, the Division has been able to utilize some flexibility to be able to provide funding that will be necessary to accommodate and accomplish what is needed to be done here with this project.

RANDY STAKER there were no public comments.

NORMAN JOHNSON I would like to make a motion that the Board commit 90% of the current cost, up to $17,100,000, as a Dam Safety grant and 10% of the project cost, up to $1,900,000, as a loan from the C&D fund to be returned at 0.1% interest over 15 years with annual payments of approximately $127,700. WAYNE ANDERSEN seconded the motion. All voted in favor and the motion passed.

RANDY CROZIER made a comment that the price of fuel alone and how much construction has to be done, that is the majority of the cost increase.

CHAIR KYLE STEPHENS the Division is committed to working with you anyway we can, and to assure funding is available as it proceeds forward.

SPECIAL ITEMS

RE446 PROVO RIVER WATER USERS ASSOCIATION (Re-Authorization) Utah County
Kelth Denos (PRWUA General Manager) Jeff Budge (PRWUA Operations and Engineering Manager) Sam Fankhauser (Engineer AE2S) Mark Anderson (Zions Public Finance) Johnathan Ward (Zions Public Finance)

TOM COX the Provo River Water Users Association operates Deer Creek Dam, which is 80 years old. There are issues with the outlet and the control gates. It is time to modify the structure. The Association came before the Board several months ago for authorization of the project. Since that time we have had a revision of the cost estimate. The current cost estimate for the project is now $100 million, a bit larger than the $60 million that was authorized. Increases
material and construction costs have resulted in a jump in project cost. The purpose of the project is to modify Deer Creek Dam intake structure and rehabilitate the existing guard gates without draining the reservoir. The project also includes constructing a permanent bypass intake and pipeline, and measures to address a potential quagga mussel infestation. The Association needs funds now because it has exhausted its current funding supply and needs funds for continued engineering and the purchase of materials. If you look at the cost sharing, it is proposed the Board of Water Resources provides $65,000,000. Central Utah Water Conservancy District has an agreement with the Association to help with the operation and maintenance of the reservoir. The applicant is also looking into other federal and state funding sources. Today the staff recommends the Board authorize 65% of the project cost, up to $65,000,000, and that the bonded indebtedness be returned at 1% interest over 35 years with annual payments of approximately $1,620,000 the first five years and about $2,420,000 the remaining 30 years (includes reserves). The payments increase $800,000 after an Association debt is paid off in 2023.

CHAIR KYLE STEPHENS introduced the representatives from the sponsoring entity.
KEITH DENOS presented to the Board the need for the project and an update of the Deer Creek Intake Project.
CHAIR KYLE STEPHENS this is a request for Re-Authorization not a request for Committal of Funds. That will be in the next board meeting.
WAYNE ANDERSEN moved the Board authorize 65% of the project cost up to $65,000,000, and the bonded indebtedness be returned at 1% interest over 35 years with annual payments of approximately $1,620,000 the first five years and about $2,420,000 the remaining 30 years including reserves. RANDY CROZIER seconded the motion. All voted in favor and the motion passed.

CHAIR KYLE STEPHENS the next three special Items we will consider together. All are withdrawals.
RE448 Centerfield City
RE451 Salem City
RL584 Monroe City

BLAINE IPSON moved to make motion to have the three projects be withdrawn and NORM JOHNSON seconded. After a roll call vote, all approved and the motion passed.

RE458 City of South Salt Lake
Item of note of a new application that will be considered at a future meeting.

TRANSPARENT WATER BILLING GRANT UPDATE
JOSH ZIMMERMAN updated the Board on the progress and the continuing efforts.

**BEAR RIVER DEVELOPMENT REPORT**

MARISA EGBERT presented the Corridor Preservation/Right-of-Way Acquisition Update. We have closed on two parcels. No action is needed. Funds spent to date are $3,358,478.

**LAKE POWELL PIPELINE REPORT**

ERIC DIXON gave the Board an update and the key efforts. Reclamation Supplemental Draft EIS, Colorado River Modeling, Public Education and Outreach, Water Right Change Application, Potential Federal Administration Changes, Basin States Coordination is ongoing and Additional Permitting Efforts. No dates have been set for going forward. The contract update we have with Stantec is good through the end of the year.

No public comments received on the last two agenda items.

**DIRECTORS REPORT**

DIRECTOR CANDICE HASENYAGER the State of Utah continues to be in widespread and historic drought. 100% of the state is experiencing drought and 40% in the “extreme” category. Governor Cox issued a Drought Emergency Declaration April 21st. The Great Salt Lake is at a historical low. In March 2022, Lake Powell dropped below 3,525. The 2022 Drought Response Operations Plan was finalized and authorized to release 500,000 acre-feet from Flaming Gorge, as well as possible follow up releases from Blue Mesa Reservoir in Colorado and Navajo Reservoir in New Mexico. Depending on the available release volumes and on the releases from Flaming Gorge are anticipated to begin on May 1st, 2022 and run through April 30th, 2023. This is a coordinated release in part to the Drought Response Operations Agreement. It’s an element of the drought contingency plan that was passed by Congress in 2019 and was signed into law. In addition to that 500,000 acre-feet coming out of Flaming Gorge, there was a decision that came from the Department of Interior to reduce the amount of water being released from Lake Powell. These efforts are beneficial. We had a Bear River Commission meeting a couple of weeks ago and at that meeting Blair Francis, who is the Upper Bear River Commissioner, resigned, stepping down after 42 years.
We are going to have a new Commissioner Norm Westin. We will put them on the agenda for next month's meeting so you can approve it.

Reminder Secondary Water Metering Grants update. We have had 15 applications so far and the period is open to May 15th.

The Division of Water Resources, and a number of water districts and municipalities, have our 2nd annual event called Flip Blitz. This is where we go in and remove turf in various areas. Last year was small. We did four park strips in the Salt Lake Valley. Now we are branching out with Utah County, Washington County, Price, and the Weber Basin area. The Governor did release Utah's Coordinated Action Plan for Water. The 2nd Chapter in that series. They released the Introduction and Infrastructure chapter. And now, the Vibrant Communities (Chapter 2) has been released and we can send that out to the Board for your information.

CHAIR KYLE STEPHENS will we need a special meeting to consider those, is that still a possibility or will that grant approval program be incorporated into the next board meeting?

DIRECTOR CANDICE HASENYAGER May 15th deadline is only a couple of weeks - two or three before our next meeting and we won't have time to go through all of those. We have discussed pushing it to the August Board Meeting for your review. CHAIR KYLE STEPHENS if we need to do a meeting so they can move forward. We would be open to that.

SHALAIN DEBERNARDI we will try to work through this quickly and we will meet when we need to, to get this process done.

RANDY CROZIER HB168 directs the State Engineer to come up with Rules. This is in the process and she has scheduled meetings every other Monday until December.

CANDICE HASENYAGER HB168 is looking at the Preferences of Water Rights Amendments in the state of emergency. In case of an emergency, the bill says the State Engineer can show preference to culinary, potable water and fire flows and one other category. A working group was set up to study the item for one year. And if the working group does not come back together with a compromise, then the section will be put in and not only will it include drinking water and fire flows, but also power was included. There was an edit to this last section to include power as well.

ADJOURNMENT

WAYNE ANDERSEN moved to adjourn and BLAINE IPSON seconded it. All approved and the meeting was adjourned at 2:57 pm.