BOARD OF WATER RESOURCES

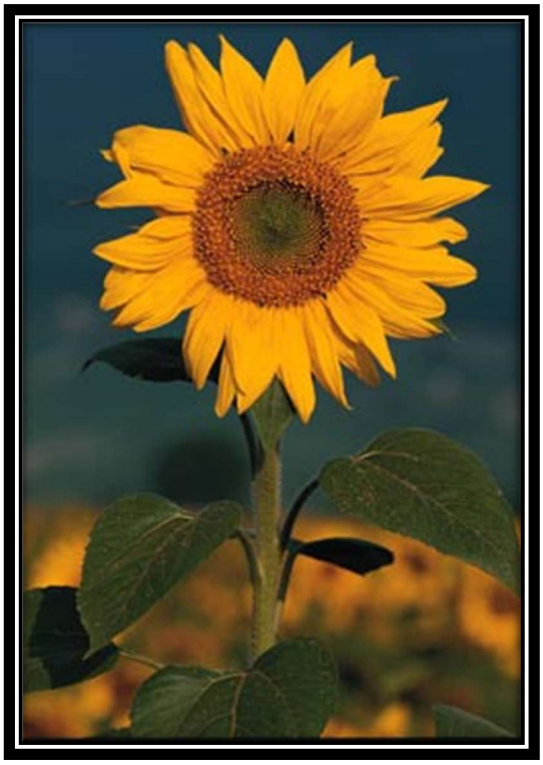
BOARD MEETING

PLAN

CONSERVE

DEVELOP

PROTECT



AUGUST 10, 2023

UTAH DNR WATER RESOURCES

DIVISION OF WATER RESOURCES

1594 WEST NORTH TEMPLE, #310, SLC, UTAH 84114

2023 Board Meeting Schedule

January

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

February

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26	27	28				

March

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April

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May

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28	29	30	31			

June

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July

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30	31					

August

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27	28	29	30	31		

September

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24	25	26	27	28	29	30

October

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29	30	31				

November

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December

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31						

August 10 Salt Lake City
Board Tour:
October 4 Garden City

October 5 Garden City
December 5 (Tues) Salt Lake City

Agenda
Utah Board of Water Resources
Board Briefing Meeting
AUGUST 10, 2023
10:00 am

I. WELCOME/CHAIR'S REPORT
*JULIETTE TENNERT

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
August 10, 2023
10:00 AM Briefing
1:00 PM Board Meeting
1594 West North Temple, SLC
Link to presentations and public comment form:
https://water.utah.gov/comments/
Livestream Links:
Briefing Meeting: https://youtube.com/live/hmM7V1m2zuc
Board Meeting: https://youtube.com/live/hHoZJb0cXno

OATH OF OFFICE - NEW BOARD MEMBER (subject to Senate confirmation)
DNR Director - Joel Ferry

APPROVAL OF MINUTES

BEAR RIVER COMMISSIONER REPORT:
State Engineer - Teresa Wilhelmsen

Project No.	Applicant	County	Project Manager
FEASIBILITY REPORTS:			
RE468	Liberty Pipeline Company	Weber	Ann Baynard
COMMITTAL OF FUNDS:			
RM036	Mayfield Irrigation Company	Sanpete	Marisa Egbert
RE460	Davis & Weber Counties Canal Company	Davis	Tom Cox
SPECIAL ITEMS:			
RE471	Woodland South Hills Irr. Co. (Auth & COF)	Wasatch	Russell Hadley

INTEGRATED WATER PLANNING IN THE GREAT SALT LAKE BASIN:
Laura Vernon

CAPITAL ASSET MANAGEMENT PLAN RULES:
Shalaine DeBernardi

STATUTORY WATER BANK REPORT:
Update - Emily Lewis, Clyde Snow & Sessions (Consultant)
Approval of Statutory Bank Application and Guidelines - Shalaine DeBernardi

DIRECTOR'S REPORT:
Candice Hasenyager

CLOSED SESSION:
Discussion of the Purchase, Exchange, Lease or Sale of Real Property when Public Discussion would Prevent the Authority from Completing the Transaction on the Best Possible Terms. (Utah Code 52-4-204)

ACTION TAKEN REGARDING MATTERS DISCUSSED IN CLOSED SESSION:

Marisa Egbert

ADJOURNMENT

BOARD OF WATER RESOURCES

REVOLVING CONSTRUCTION FUND

Funding Status
August 10, 2023

Funds Available for Projects This FY					$ 32,183,000	
Projects Contracted This FY						
1 None			$ -			
Total Funds Contracted					$ -	
Funds Balance					$ 32,183,000	
Projects with Funds Committed						
1 Ashley Central Irrigation Company	RE427		$ 1,000,000			10/28/21
2 Huntsville South Bench Canal Co	RE453		224,500			12/07/21
3 Newton Water Users Association	RE461		618,000			01/19/23
4 Washington County Flood Contr. Auth. (Warner)	RC049	**Grant	212,000			03/22/17
5 Washington County Flood Contr. Auth. (Stucki)	RC050	**Grant	88,400			03/22/17
6 West Milburn Irrigation Company	RE442		335,000			10/08/20
* 7 Woodland South Hills Irrigation Company	RE471		617,000			08/10/23
Total Funds Committed					$ 3,095,000	
Funds Balance					$ 29,088,000	
Projects Authorized						
1 None			$ -			
Total Funds Authorized					$ -	
Remaining Funds Available	(End of year balance if all listed projects were fully paid)				$ 29,088,000	

* To be presented at Board Meeting
** Dam Safety Projects

BOARD OF WATER RESOURCES

CITIES WATER LOAN FUND

Funding Status
August 10, 2023

Funds Available for Projects This FY			$ 17,814,000	
Bonds Closed This FY				
1 None		$ -		
Total Bonds Closed			$ -	
Funds Balance			$ 17,814,000	
Projects with Funds Committed				
1 None		$ -		
Total Funds Committed			$ -	
Funds Balance			$ 17,814,000	
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)		$ 16,216,000	

* To be presented at Board Meeting

BOARD OF WATER RESOURCES

CONSERVATION & DEVELOPMENT FUND

Funding Status
August 10, 2023

Funds Available for Projects This FY					$ 119,820,000	
Projects Contracted/Bonds Closed This FY						
1	Consolidated Sevier Bridge Reservoir Co	RC023		$ 700,000	(Add'l Amt.)	07/05/23
2	Draper Irrigation Co (Phase 1)	RE450		6,435,000		07/18/23
3	Haights Creek Irrigation Company	RM012	**	1,822,000		07/13/23
4	Moroni City	RM059	**	346,000		07/13/23
	Total Funds Contracted/Closed				$ 9,303,000	
	Funds Balance				$ 110,517,000	
Projects with Funds Committed						
1	Centerfield City	RM035	**	$ 577,000		06/29/23
2	City of South Salt Lake	RE458		8,500,000		08/04/22
3	Coalville City	RM040	**	332,000		06/29/23
* 4	Davis & Weber Counties Canal Company	RE460		1,530,000		08/10/23
5	Davis & Weber Counties Canal Company	RE462		2,000,000		03/22/23
6	Eden Water Works Company	RE470		1,700,000		06/29/23
7	Heber City	RM038	**	1,875,000		03/22/23
8	Henefer Town	RE431		2,157,000		05/11/23
9	Hooper Irrigation Company	RM042	**	798,000		06/29/23
* 10	Mayfield Irrigation Company	RM036	**	253,000		08/10/23
11	Mountain View Irrigation Company	RM033	**	743,000		12/06/22
12	Newton Water Users Association	RM044	**	92,000		09/15/22
13	North Summit Pressurized Irrigation Company	RM055	**	213,000		09/15/22
14	Richmond Irrigation & Power Company	RM010	**	606,000		10/27/22
15	Smithfield Irrigation Company	RM054	**	1,020,000		09/15/22
16	Summit Creek Irrigation and Canal Co (Phase 4)	RE308		373,700		05/11/23
17	Wellington City	RM058	**	484,000		03/22/23
18	Wolf Creek Irrigation Company	RM067	**	132,600		05/11/23
	Total Funds Committed				$ 23,386,000	
	Funds Balance				$ 87,131,000	
Projects Authorized						
1	Box Elder Cnty & Perry City Flood Control Dist	RE369		$ 660,000		06/18/15
2	Draper Irrigation Co (Phases 2 & 3)	RE450		12,265,000		09/16/21
3	Grantsville Irrigation Company	RE469		1,496,000		06/29/23
4	Veyo Culinary Water Association	RE445		969,000		03/17/21
5	Weber-Box Elder Cons Dist	RE400		1,687,000		08/10/17
6	Woodruff Irrigating Co	RE365		3,200,000		03/18/15
	Total Funds Authorized				$ 20,277,000	
	Funds Balance				$ 66,854,000	

Secondary Meter Projects Authorized

1	17th North Water Users	RM066	**	$ 99,500	08/04/22
2	Ashley Central Irrigation Company	RM099	**	33,400	03/22/23
3	Bloomington Water Company	RM093	**	365,000	03/22/23
4	Centerville Deuel Creek Irrigation Company	RM056	**	2,199,000	03/22/23
5	Corn Creek Irrigation Company	RM094	**	304,000	03/22/23
6	Cottonwood Gooseberry Irrigation Company	RM095	**	840,000	03/22/23
7	Fillmore Water Users Association	RM089	**	395,000	03/22/23
8	Fountain Green Irrigation Co	RM049	**	303,000	08/04/22
9	Glenwood Irrigation Company	RM088	**	280,000	03/22/23
10	Horseshoe Irrigation Company	RM032	**	259,000	08/04/22
11	Liberty Irrigation Association	RM041	**	204,000	01/19/23
12	Loa Town	RM075	**	97,000	08/04/22
13	Manti City Creek WUMA	RM034	**	956,000	08/04/22
14	Minersville Reservoir and Irrigation Company	RM098	**	182,000	03/22/23
15	Monroe City	RM092	**	780,000	03/22/23
16	Morgan Secondary Water Association	RM086	**	640,000	03/22/23
17	Mt. Pleasant City	RM085	**	729,000	03/22/23
18	Nephi Irrigation Company	RM062	**	350,000	08/04/22
19	Newton Town Sprinkling Company	RM045	**	132,000	08/04/22
20	North Logan Sprinkling Company	RM030	**	61,000	08/04/22
21	Panguitch City	RM096	**	472,000	03/22/23
22	Paradise Irrigation & Reservoir Company	RM064	**	695,000	08/04/22
23	Richards Irrigation Company	RM051	**	145,000	08/04/22
24	Sand Creek Irrigation Company	RM097	**	107,000	03/22/23
25	South Davis Water District	RM022	**	1,317,000	08/04/22
26	Wanship Irrigation Company #2	RM087	**	130,000	03/22/23

Total Funds Authorized		$ 12,075,000
Remaining Funds Available	(End of year balance if all listed projects were fully paid)	$ 54,779,000

* To be presented at Board Meeting
** Secondary Meter Projects

BOARD OF WATER RESOURCES

SMALL SYSTEM SECONDARY METER GRANT FUNDS

Funding Status
August 10, 2023

Funds Available for Projects This FY			$ 4,000,000	
Projects Contracted This FY				
1 None		$ -		
Total Funds Contracted			$ -	
Funds Balance			$ 4,000,000	
Projects with Funds Committed				
1 Centerville Deuel Creek Irrigation Company	RE464	$ 1,034,000		03/22/23
Total Funds Committed			$ 1,034,000	
Funds Balance			$ 2,966,000	

* To be presented at Board Meeting

BOARD OF WATER RESOURCES

ARPA SECONDARY METER GRANT FUNDS

Funding Status
August 10, 2023

Funds Available for Projects This FY			$ 88,838,000	
Projects Contracted This FY				
1 Hooper Irrigation Company	RM042	$ 2,191,000		07/20/23
Total Funds Contracted			$ 2,191,000	
Funds Balance			$ 86,647,000	
Projects with Funds Committed				
1 17th North Water Users	RM066	$ 273,000		08/04/22
2 American Fork City	RM002	6,559,000		08/04/22
3 Ashley Central Irrigation Company	RM099	91,700		03/22/23
4 Bloomington Water Company	RM093	1,002,000		03/22/23
5 Castle Valley Special Service District	RM027	5,000,000		08/04/22
6 Center Hyde Park Water Pipeline Company	RM063	91,000		08/04/22
7 Centerville Deuel Creek Irrigation Company	RM056	5,000,000		08/04/22
8 Coalville City	RM040	910,000		08/04/22
9 Corn Creek Irrigation Company	RM094	834,000		03/22/23
10 Cottonwood Gooseberry Irrigation Company	RM095	2,305,000		03/22/23
11 Fillmore Water Users Association	RM089	1,085,000		03/22/23
12 Fountain Green Irrigation Company	RM049	832,000		08/04/22
13 Glenwood Irrigation Company	RM088	770,000		03/22/23
14 Horseshoe Irrigation Company	RM032	710,000		08/04/22
15 Leeds Water Company	RM069	364,000		08/04/22
16 Liberty Irrigation Association	RM041	560,000		08/04/22
17 Loa Town	RM075	266,000		08/04/22
18 Magna Water District	RM091	350,000		03/22/23
19 Minersville Reservoir and Irrigation Company	RM098	500,000		03/22/23
20 Monroe City	RM092	2,022,000		03/22/23
21 Morgan Secondary Water Association	RM086	1,757,000		03/22/23
22 Mt. Pleasant City	RM085	2,002,000		03/22/23
23 Newton Town Sprinkling Company	RM045	360,000		08/04/22
24 Newton Water Users Association	RM044	252,000		08/04/22
25 North Summit Pressurized Irrigation Company	RM055	584,000		08/04/22
26 Panguitch City	RM096	1,295,000		03/22/23
27 Paradise Irrigation & Reservoir Company	RM064	1,908,000		08/04/22
28 Salem City	RM077	2,590,000		01/19/23
29 Sand Creek Irrigation Company	RM097	294,000		03/22/23
30 Settlement Canyon Irrigation Company	RM037	490,000		08/04/22
31 Smithfield Irrigation Company	RM054	2,800,000		08/04/22
32 Springdale, Town of	RM076	90,000		10/27/22
33 Wanship Irrigation Company #2	RM087	357,000		03/22/23
Total Funds Committed			$ 44,304,000	
Funds Balance			$ 42,343,000	

Projects Authorized				
1 Johnson Park Pipeline Company	RM024	$ 114,800		08/04/22
2 Nephi Irrigation Company	RM062	959,000		08/04/22
3 North Logan Sprinkling Company	RM030	168,000		08/04/22
Total Funds Authorized			$ 1,242,000	
Funds Balance			$ 41,101,000	

* To be presented at Board Meeting

BOARD OF WATER RESOURCES

ARPA WATER CONSERVATION PROJECT GRANT FUNDS

Funding Status
August 10, 2023

Funds Available for Projects This FY			$17,991,000	
Projects Contracted This FY				
1 None		$ -		
Total Funds Contracted			$ -	
Funds Balance			$17,991,000	
Projects with Funds Committed				
1 Grantsville Irrigation Company	RM103	$ 2,000,000		06/29/23
2 Mapleton City	RM101	2,000,000		06/29/23
3 Mountain Green Secondary Water Company	RM104	301,000		06/29/23
4 Payson City	RM105	2,000,000		06/29/23
5 Roosevelt City	RM106	2,000,000		06/29/23
6 Santaquin City	RM107	1,690,000		06/29/23
7 Saratoga Springs	RM100	2,000,000		06/29/23
8 Spanish Fork City	RM108	2,000,000		06/29/23
9 Springville City	RM109	2,000,000		06/29/23
10 Tremonton City	RM102	2,000,000		06/29/23
Total Funds Committed			$ 17,991,000	
Funds Balance			$0	

* To be presented at Board Meeting

BOARD OF WATER RESOURCES

August 10, 2023

ADDITIONAL FUTURE FUNDING NEEDS

	Sponsor	No.	Fund	Est. Board Cost	Total Cost	
1	Bear River Canal Company	RE467	RCF	$ 245,000	$ 500,000	01/19/23
2	Coyote & East Fork Irrigation Co	RE411	RCF	722,500	1,700,000	08/09/18
3	Ferron Canal & Reservoir Co	RE320	C&D	2,720,000	3,200,000	10/11/12
4	Glendale Irrigation Co	RE408	C&D	1,109,000	1,305,000	02/08/18
5	Glenwood Town (NRCS Dam Safety Grant)	RC056	RCF	969,000	3,568,000	05/10/18
6	Hooper Irrigation Co (Press Irr, Ph 3+)	RE060R3	C&D	11,033,000	12,980,000	01/25/02
7	Liberty Pipeline Co	RE468	C&D	1,700,000	3,550,000	02/10/23
8	Morgan City	RL589	CWL	2,552,000	6,004,200	08/19/22
9	Sanpete WCD (Narrows Dam)	RD377	C&D	29,325,000	34,500,000	04/07/83
10	Settlement Canyon Irrigation Co (Phase 2)	RE240	C&D	552,500	650,000	10/02/08
11	Uintah WCD	RE316	C&D	36,550,000	43,000,000	10/10/13
12	Weber Basin WCD	RE312	C&D	85,000,000	100,000,000	04/16/12
13	Wellsville-Mendon Conservation District	RE364	C&D	680,000	800,000	03/18/15
	Subtotal			$ 173,158,000	$ 211,757,000	

* New Application

Applicant: **Liberty Pipeline Company**

Project Number: RE468
Fund: Conservation and Development Fund
Cost Estimate: $5,422,000

Application Received: 2/10/2023
Board Meeting Date: 8/10/2023

Board Member: Kyle Stephens
Project Manager: Ann Baynard

Project Summary: The purpose of the project is to install a booster pump station, 11,000 feet of 8-inch transmission pipeline and replace 8,000 feet of 6-inch pipeline.

Recommendation: Staff recommends the Board authorize 60.8% of the project cost, up to $3,293,000, and that the project be purchased at 2.95% interest over 25 years with annual payments of approximately $188,100.

Project Contacts:

President:
Jami Hadlock
3799 East 4100 North
Liberty, UT 84310
801-941-6302

Secretary:
Jodi Davis
PO Box 1200
Eden, UT 84310
801-745-2088

Engineer:
Nathan Smith
JUB Engineers
466 North 900 West
Kaysville, UT 84037
801-547-0393

Location

The proposed project is located in Liberty, about 10 miles northwest of Huntsville, in Weber County.

Introduction & Background

The Applicant provides culinary water to approximately 679 connections. Water is obtained from two springs and two wells, stored in four tanks with a combined capacity of 1,100,000 gallons, and delivered through approximately 25 miles of pipeline ranging from four to 14 inches in diameter. About 130 of the customers also receive secondary water from Liberty Irrigation Company.

The Applicant received funding from the Board in 1977 to replace the town culinary system; in 1993 to build a storage tank, develop a spring, build a pump station and a pipeline; and in 2000 to connect a culinary well to the system. The projects have all been repaid.

Existing Conditions & Problems

The Applicant has two main pressure zones: the South Zone and the North Zone. The North Zone is currently fed by a spring that is susceptible to drought conditions. In 2018, the spring nearly went dry, and the Applicant was faced with considering an emergency connection to a neighboring system or trucking in water. The Applicant also experiences about 30% loss in their water system primarily to leaks in the existing 6-inch pipe.

Proposed Project

The Applicant received a $1.5M+ Drought Resiliency Grant from the Bureau of Reclamation and they are requesting financial assistance from the Board to build a booster pump station and transmission line to boost flows from the South Zone to the North Zone. The building will include a booster pump station and a meeting room. The transmission line includes more than 11,000 feet of 8-inch PVC pipe. This will allow the Applicant to move water from the South Zone to all the pressures zones in the system. The Applicant also plans to replace 8,000 feet of the leaking 6-inch pipe with 8-inch C900 PVC pipe to improve fire flow conditions as well as reduce water leaks.

Technical assistance is being provided by J-U-B Engineers.

Benefits

The project will provide water security for the system in times of drought. It will also improve fire flow conditions and prevent large amounts of water loss in their system.

Cost Estimate

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

Item	Description	Quantity	Unit	Unit Price	Total
1	Mobilization/SWPPP/Traffic Control	1	LS	$395,000	$395,000
2	Pump Station and Meeting Room	1	LS	500,000	500,000
3	PRV Station (Montgomery)	1	LS	75,000	75,000
4	Pump Station PRV	1	LS	20,000	20,000
5	8" C900 PVC Pipe	22,820	LF	85	1,940,000
6	Connections/Fittings	40	EA	4,875	195,000
7	Bedding/Backfill	34,300	TONS	27	926,000
8	Asphalt Repair	1,240	TONS	150	186,000
9	Solar Panel	1	LS	65,000	65,000
10	Fire Hydrants	10	EA	10,000	100,000
				Construction Cost	**$4,402,000**
				Contingency	440,000
				Design & Construction Engineering	450,000
				NEPA	100,000
				Legal and Administrative	30,000
				TOTAL	**$5,422,000**

Cost Sharing & Repayment

The recommended cost sharing and repayment are:

Agency	Cost Sharing	% of Total
Board of Water Resources	$3,293,000	60.8%
BOR WaterSMART Grant	1,547,700	28.5
Applicant	581,300	10.7
TOTAL	**$5,422,000**	**100%**

The Applicant received a WaterSMART Drought Resiliency Grant from the Bureau of Reclamation. The Applicant is in the final stages of completing the contract for the grant.

Staff recommends the Board authorize 60.8% of the project cost, up to $3,293,000, and that the project be purchased at 2.95% interest over 25 years with annual payments of approximately $188,100.

Economic Feasibility

There is no viable alternative for this project; therefore, a benefit/cost ratio of 1.0 has been assigned.

Financial Feasibility

Based on the Board's water service affordability guidelines, residents in the Applicant's service area could pay up to $104.30 monthly, per connection, for water. The following table estimates the current monthly cost of water per connection for 679 connections.

Water Cost	Annual Cost	Cost/Conn/Mo
Avg. Water Bill	$408,000	$50.07
Avg. Secondary Water Bill (based on 130 connections)	49,140	6.03
Property Tax for Water (based on 250 connections)	124,664	15.34
Proposed Board of Water Resources Funding	188,100	23.09
TOTAL	**$756,904**	**$94.53**

The secondary water bill was estimated based on 130 connections with shares costing $9 and residents having 3.5 shares.

All the Applicant's customers who built their home after 2004, were required to purchase a lease contract (1 acre-foot) from Weber Basin Water Conservancy District (WBWCD), which is paid through property taxes. The cost for per acre-foot of water from WBWCD is approximately $500. There have been approximately 15 new connections per year since 2004, totaling about 250 connections since then. The number of new connections since 2004 was estimated using the information provided to the Utah Division of Water Rights on the Applicant's water use form.

Water Rights & Supply

The Applicant's customers have many exchanges with Weber Basin Water Conservancy District under water right #35-827 for an unknown quantity of water.

Other water rights related to this project are as follows:

Water Right Number	Flow / Volume (cfs / ac-ft)
35-7219	1.68 cfs
35-5824	1.114 cfs
35-11737	29.01 ac-ft

Easements

The project will be built on property owned by the Applicant and the pipeline will follow the existing road right-of-way. No additional easements will be required.

Environmental

No long-term environmental impacts are anticipated with the project.

Water Conservation

The Applicant currently experiences 30% loss in their water system primarily to leaks. It is expected that the replacement of the old 6-inch pipe will decrease water loss.

Applicant's Responsibilities

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

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

BOARD OF WATER RESOURCES
Committal of Funds

Mayfield Irrigation Company

Applicant: Mayfield Irrigation Company

Project Number: RM036
Fund: Conservation and Development Fund
Total Cost: $994,000

Application Received: 5/12/2022
Authorized: 8/4/2022
Board Meeting Date: 8/10/2023

Board Member: Blaine Ipson
Project Manager: Marisa Egbert

Project Summary: The purpose of the project is to purchase and install approximately 270 secondary meters.

Recommendation: Staff recommends the Board commit 25.5% of the project cost, up to $253,000, and that the project be purchased at 1% interest over 15 years, with annual payments of approximately $18,300.

Project Contacts:

President:
William K. Christiansen
PO Box 123
Mayfield, UT 84643
435-851-2603

Secretary:
Catherine Bartholomew
PO Box 123
Mayfield, UT 84643
435-851-0697

Engineer:
Garrick Wilden
Jones & DeMille Engineering
50 South Main Street, Suite 4
Manti, UT 84542
435-979-0380

Location

The proposed project is located in and around Mayfield, about 12 miles south of Manti, in Sanpete County.

Project Summary

The purpose of the project is to purchase and install approximately 270 secondary meters.

Cost Estimate & Sharing

The cost estimate and sharing remain as authorized:

Agency	Authorized Cost Sharing	% of Total
Board of Water Resources – Loan	$253,000	25.5%
Board of Water Resources – Grant	696,000	70.0
Applicant	45,000	4.5
TOTAL	**$994,000**	**100%**

Repayment

Staff recommends the Board commit 25.5% of the project cost, up to $253,000, and that the project be purchased at 1% interest over 15 years, with annual payments of approximately $18,300.

BOARD OF WATER RESOURCES
Committal of Funds

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

Project Number: RE460
Fund: Conservation and Development Fund
Total Cost: $3,200,000

Application Received: 9/19/2022
Authorized: 12/6/2022
Board Meeting Date: 8/10/2023

Board Member: Kyle Stephens
Project Manager: Tom Cox

Project Summary: The purpose of the project is to enclose approximately 1,400 feet of the Davis & Weber Canal with a pre-cast concrete box culvert.

Recommendation: Staff recommends the Board commit 47.8% of the project cost, up to $1,530,000, and that the project be purchased at 2.1% interest over 30 years, with annual payments of approximately $69,300.

Project Contacts:

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

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

Engineer:
Jon Frazier
J-U-B Engineers
466 N. Kays Drive
Kaysville, UT 84037
801-547-0393

Location
The proposed project is located in Clearfield in Davis County.

Project Summary
The purpose of the project is to enclose approximately 1,400 feet of the deteriorating concrete-lined Davis & Weber Canal with a pre-cast concrete box culvert. It is anticipated that construction will start after water is taken out of the canal this fall.

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

Agency	Authorized Cost Sharing	% of Total
Board of Water Resources	$1,530,000	47.8%
WaterSMART Grant (WEEG)	1,400,000	43.8
Applicant	270,000	8.4
TOTAL	**$3,200,000**	**100%**

Repayment
Staff recommends the Board commit 47.8% of the project cost, up to $1,530,000, and that the project be purchased at 2.1% interest over 30 years, with annual payments of approximately $69,300.

BOARD OF WATER RESOURCES
Special Item - Authorization and Committal of Funds

Applicant: **Woodland South Hills Irrigation Company**

Project Number: RE471
Fund: Revolving Construction Fund
Cost Estimate: $726,000

Application Received: 6/1/2023
Board Meeting Date: 8/10/2023

Board Member: Juliette Tennert
Project Manager: Russell Hadley

Project Summary: The purpose of the project is to construct a new pump house, install pumping equipment and an integrated SCADA system, regrout an existing well, and install about 1,600 feet of pipeline.

Recommendation: Staff recommends the Board authorize and commit 85% of the project cost, up to $617,000, and that the project be purchased at 0% interest over 30 years with annual payments of approximately $20,600.

Project Contacts:

President:
Jason D. Smith
4200 Red Fox Road
Woodland, UT 84036
801-634-5748

Secretary:
Amanda Wells
4410 Upper Aspen Loop
Woodland, UT 84403
435-513-2127

Engineer:
Matt Hartvigsen
Jones & Associates Consulting Engineers
6080 Fashion Point Drive
South Ogden, UT 84403
801-476-9767

Location
The proposed project is located about two miles southwest of Woodland in Wasatch County.

Introduction & Background
The Applicant currently serves culinary water to 47 residential connections. A total of 78 lots will be connected to the culinary system at buildout. All 78 lots are sold, of which 31 undeveloped lots are on standby. On average, three of the undeveloped lots are being developed per year.

Two wells previously provided culinary water and storage is held in a 160,000-gallon tank. Culinary water rates are $40 for the first 7,000 gallons, then 0.9 cent per gallon up to 15,000 gallons, and 1.0 cent per gallon above 15,000 gallons.

Secondary water is also provided to 31 of the 47 connections by an unpressurized canal system, with water obtained from Bench Hollow Creek. All lots are charged a basic assessment annually of $1,425 for the secondary system. The lots that use secondary water are also charged fees for their use.

The Applicant had a previous project with the Board in 1998 to install 18,000 feet of 6-inch PVC pipe, the storage tank, two booster pump stations, and 24 fire hydrants. That project was paid off in June 2023.

Existing Conditions & Problems
Of the Applicant's two wells, one of the wells (Mountain Well) was required to be taken off-line by the Division of Drinking Water because it was only grouted to 25 feet; culinary wells are required to be grouted to at least 100 feet. The second well (River Well) is currently their sole supply of culinary water. Because the two wells only produce 40 gpm each, the Applicant installed a new well to add more supply for the future.

The new well (Bench Well) also produces 40 gpm. The Bench Well needs to be fitted with a pump house, booster pump, electrical, SCADA controls, and piping to tie it to the system.

The project also includes refurbishing the Mountain Well, including regrouting the well and adding more modern SCADA controls.

Proposed Project
The Applicant is requesting funding from the Board to refurbish the Mountain Well and modernize the SCADA controls and pump. The project also includes constructing a pump house and installing about 1,900 feet of pipeline to add the new Bench Well to the system. The SCADA system at the storage tank will also be updated. Construction of the projects would begin immediately. Engineering services are being provided by Jones & Associates Consulting Engineers.

Benefits
Construction of the new well and pump house project will add to the culinary supply in the system, as well as provide more redundancy with a third source. Refurbishing the existing Mountain Well will bring the well up to Drinking Water standards and allow it to be added back on to the system. Adding upgraded telemetry SCADA controls to the system will make it more efficient to operate.

Cost Estimate

The following cost estimate is based on actual bids and has been reviewed by staff:

Item	Description	Quantity	Unit	Unit Price	Total
1	Mobilization	LS	LS	$25,000	$25,000
2	Mountain Well rehabilitation and pump	LS	LS	85,000	85,000
3	Bench Well SCADA	LS	LS	15,000	15,000
4	River Well House SCADA	LS	LS	22,000	22,000
5	Mountain Well House SCADA	LS	LS	22,000	22,000
6	Water Tank SCADA	LS	LS	13,000	13,000
7	Rocky Mountain Power Service	LS	LS	6,000	6,000
8	Bench Well House and appurtenances	LS	LS	280,000	280,000
9	Aspen Loop Pipeline & appurtenances	1,030	LF	126.00	130,000
				Construction Cost	**$598,000**
				Contingency	59,000
				Design & Construction Engineering	62,000
				Legal and Administrative	7,000
				TOTAL	**$726,000**

Cost Sharing & Repayment

The recommended cost sharing and repayment are:

Agency	Cost Sharing	% of Total
Board of Water Resources	$617,000	85%
Applicant	109,000	15
TOTAL	**$726,000**	**100%**

Staff recommends the Board authorize and commit 85% of the project cost, up to $617,000, and that the project be purchased at 0% interest over 30 years with annual payments of approximately $20,600.

Financial Feasibility

The Board's affordability guideline indicates Woodland residents could pay up to $85.40 per month for all water. The average culinary water bill is approximately $41/month. The annual assessment for secondary water is $1,425 for each of the 78 lots. The annual cost for secondary water use for the 31 homes is about $157.

The average monthly cost for all water for the 78 total lots is as follows:

Water Cost	Annual Cost	Cost/Conn/Mo
Average Water Bill	$38,376	$41.00
Annual Secondary Assessment ($1,425 annually)	111,150	118.75
Property Tax for Water (Central Utah WCD)	11,990	12.81
Secondary Water Cost (31 homes at $157/year)	4,867	5.20
Proposed Board of Water Resources Funding	20,600	22.01
TOTAL	**$186,984**	**$199.71**

As shown, the Applicant's water cost per residential connection is over the Board's affordability guideline.

Water Rights & Supply

Water rights related to this project are as follows:

Water Right Number	Flow / Volume (cfs/AF)
55-11707	0.140 cfs
55-7078	0.043 cfs
55-8596	25 AF
55-8977	1 AF
55-8978	1 AF
55-9545	1 AF
55-9736	1.66 AF

Easements

The Applicant has the easements needed for this project.

Environmental

No negative environmental effects are foreseen beyond the usual dust and noise of the construction phase.

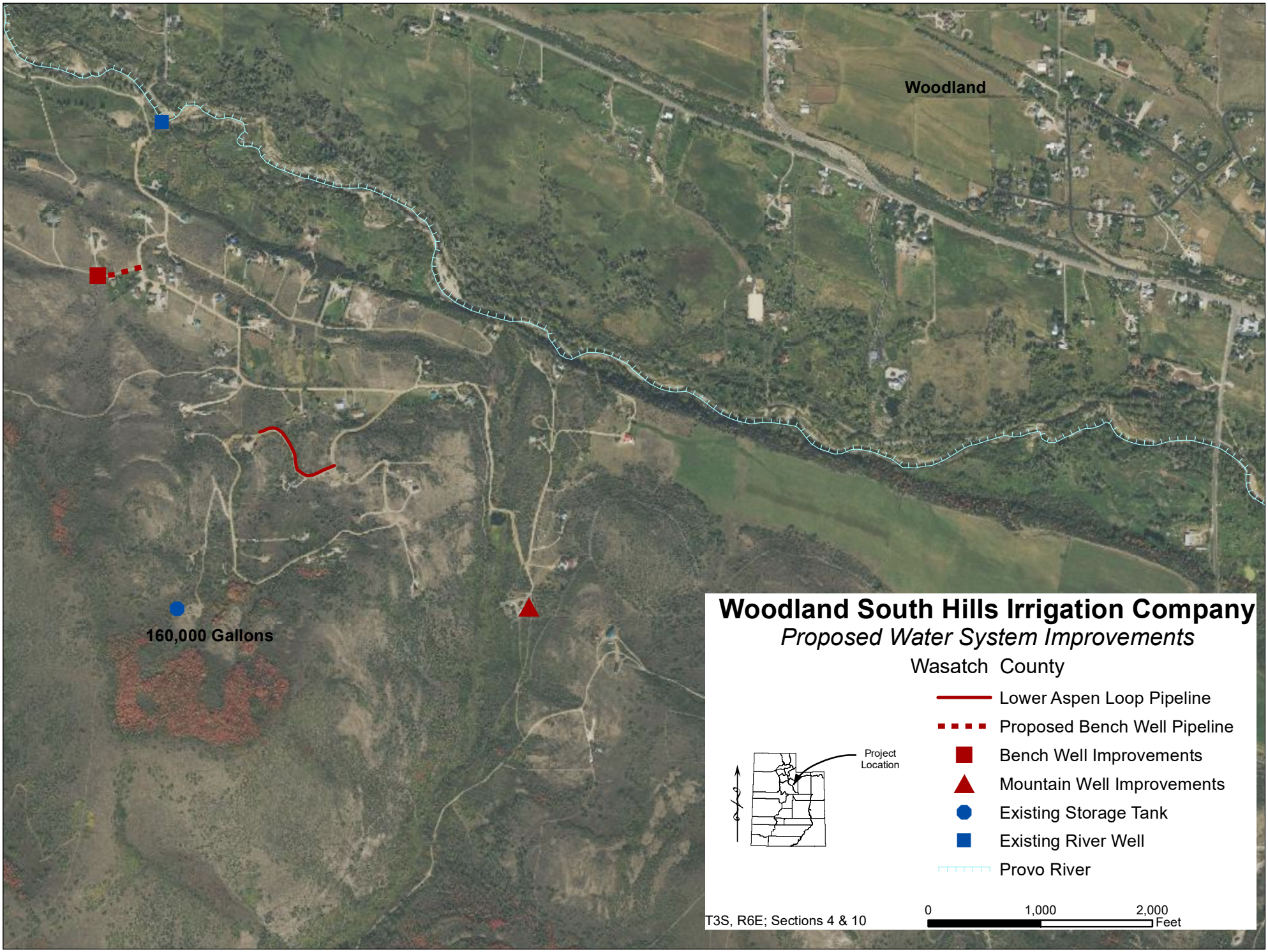
Water Conservation

No water is expected to be conserved by the project.

Applicant's Responsibilities

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

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


Woodland
160,000 Gallons
Woodland South Hills Irrigation Company
Proposed Water System Improvements
Wasatch County
Lower Aspen Loop Pipeline
Proposed Bench Well Pipeline
Bench Well Improvements
Mountain Well Improvements
Existing Storage Tank
Existing River Well
Provo River
Project Location
T3S, R6E; Sections 4 & 10
0
1,000
2,000
Feet

Integrated Water Planning in the Great Salt Lake Basin
August 10, 2023

Attaining long-term water supply resiliency for water users in the Great Salt Lake basin — including the lake — requires a plan. For this reason, the Utah Division of Water Resources is working with federal, state, and local partners to complete the Great Salt Lake Basin Integrated Plan.

The first-ever water resources plan for the entire Great Salt Lake basin integrates surface and groundwater modeling; existing plans, studies, research, data, models, tools and strategies; and water user collaboration at an unprecedented scale. The plan provides a holistic understanding of current and future water supplies and demands throughout the basin, then identifies and evaluates actions that reduce water supply risks, minimize harm to future generations and preserve ecosystems. The plan will:

- **Assess** current surface and groundwater supply in the basin
- **Predict** future water supplies and demands
- **Coordinate** efforts to gather and utilize data throughout the basin
- **Investigate** possible adaptation and mitigation strategies
- **Analyze** trade-offs between water users in the system
- **Recommend** actionable strategies to ensure a resilient water supply

Through the planning process water users and policymakers in the basin gain a comprehensive foundation for sound water management and decision-making. They also obtain tools and guidance for updating the plan into the future.

The complex nature of this basin-wide effort calls for a workplan to detail the approach for completing the integrated plan within three years. The workplan is being developed by engaging stakeholders, building consensus, and prioritizing tasks that comprise the plan.

For more information visit: gslbasinplan.utah.gov

Presented by Laura Vernon, Great Salt Lake Basin Planner

Capital Asset Management Plan Rules
August 10, 2023

Requirements of HB 269 – 2022 General Session

In 2022, the legislature passed House Bill 269, which creates new requirements for Capital Asset Management Plans. This law requires that wastewater service providers, retail water suppliers, and water conservancy districts with an annual operating budget of $5,000,000 or less commit to adopt a Capital Asset Management Plan as a condition of receiving state or federal funding to be used for capital asset improvements.

A capital asset is defined as a significant investment or an essential component necessary to provide water or wastewater service.

The bill also directs the Water Quality Board, the Drinking Water Board, and the Board of Water Resources to adopt rules for these plans for different entities. The Board of Water Resources is required to adopt rules for water conservancy districts with an annual operating budget of $5,000,000 or less.

Proposed Rules Attached

The Attorney General's Office, along with Division staff, created draft rules that were presented in May. After comments from several Board members and officials with some of the affected water conservancy districts, the rules have been modified as attached.

Staff recommends the Board adopt the rules as written.

Presented by Shalaine DeBernardi, Assistant Director

R653. Natural Resources, Water Resources.
R653-12. Capital Asset Management Plans.
R653-12-1. Purpose and Authority.
(1) As a condition to receiving federal or state financial assistance for improvement to capital assets related to water infrastructure, Section 73-10g-502 requires water conservancy districts with an annual operating budget of $5,000,000 or less to commit to adopt a capital asset management plan.
(2) The purpose of this rule is to identify and describe the elements of a capital asset management plan, as directed in Section 73-10g-502.

R653-12-2. Definitions.
(1) As used in this rule:
(a) "Capital asset" means an asset that:
(i) is a significant investment or an essential component necessary to provide water service, including:
(A) a facility;
(B) infrastructure, whether above or below ground level;
(C) equipment; or
(D) a communications network; and
(ii) is owned by a water conservancy district.
(b) "Capital asset management plan" or “plan” means a capital asset assessment, maintenance, and replacement program described and required in R653-12-3.
(c) “Division” means the Division of Water Resources.
(d) "Water conservancy district" means a water conservancy district with an annual operating budget of $5,000,000 or less.

R653-12-3. Capital Asset Management Plan.
(1) As a condition to receiving federal or state financing or grants for improvement to capital assets related to water infrastructure, a water conservancy district must commit to adopt a capital asset management plan consistent with Section 73-10g-502 and this rule.
(2) The capital asset management plan shall require the water conservancy district to:
(a) complete an inventory of each capital asset, including the following information for each inventoried asset:
(i) a technical description;
(ii) location;
(iii) physical condition;
(iv) documentation of the asset's standard features;
(v) warranties;
(vi) maintenance history;
(vii) replacement costs;

(viii) estimated value;
(ix) estimated original useful life; and
(x) estimated remaining useful life; and
(b) assess the physical condition of the capital asset in accordance with a method established under Subsection (3)(a)(i) at least every five years.
(3)(a) The plan shall establish:
(i) a method to assess the physical condition of each capital asset;
(ii) performance and condition standards for each capital asset;
(iii) a program for monitoring and reporting the water conservancy district's application of and compliance with the plan, including a comparison of each capital asset's current status and targeted standards for that capital asset as set forth in the plan;
(iv) a process to evaluate existing capital assets for efficiency and expected service delivery; and
(v) objective criteria for ranking capital asset criticality and prioritizing maintenance and replacement.
(b) A performance and condition standard described in Subsection (3)(a)(ii) may be:
(i) a mandated safety standard;
(ii) a standard condition of receiving federal, state, or local funding; or
(iii) an applicable engineering or other professional standard.
(4) The plan shall include:
(a) a multiyear financial component that includes:
(i) criteria and guidelines for saving and allocating sufficient funds in the water conservancy district's annual operating budget for assessing, maintaining, repairing, and replacing capital assets; and
(ii) guidelines for dedicating revenue to priority capital assets identified under Subsection (3)(a)(v); and
(b) the water conservancy district’s assurance it will:
(i) implement the capital asset management plan and seek to comply with its terms; and
(ii) adopt annual operating budgets that include ongoing funding for capital asset maintenance, repair, and replacement.

R653-12-4. Capital Asset Management Plan Review.
(1)(a) A water conservancy district shall submit a copy of its completed capital asset management plan to the division within two years of seeking a federal or state loan or grant for improvement to its water infrastructure capital assets.
(b) Upon receipt of a plan submitted by a water conservancy district, the division shall review it for completeness and compliance with Section 73-10g-502 and this rule.
(i) If the plan is found deficient, the division will notify the water conservancy district of the deficiencies and provide an opportunity to cure.

(ii) If the plan is found complete and consistent with this rule, the division will issue a letter to the water conservancy district indicating compliance.

KEY:
Date of Last Change:
Authorizing, and Implemented or Interpreted Law: 73-10g-502

Statutory Water Banks
August 10, 2023

Background

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

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

Statutory Water Bank

A Statutory Water Bank is a legal entity organized for the purposes of facilitating water leasing between local water users. The goal of a Statutory Water Bank is to create an organized forum to match local water users who have available water with local water users seeking to lease water. Statutory Water Banks meet the objectives of the Act by increasing access to water and encouraging local water market transactions. Statutory Water Banks are required to be a legal entity organized for the purpose of facilitating water leasing and are governed by that entities' governing documents. Participants leasing water through a Statutory Water Bank are to follow the rules and guidelines set by the Statutory Water Bank.

Documents

1) <u>Board of Water Resources Statutory Water Bank Application Form:</u>
   This form is based on, and modeled after, similar forms created to facilitate the Board's review and approval of funding applications and the recently approved Contract Water Bank Application form. In general, the Statutory Water Bank Application tracks the requirements of Utah Code Ann. § 73-31-202 and asks the Applicant to produce information related to how the proposed Statutory Water Bank is to operate. It is anticipated applicants will include an addendum to the Statutory Water Bank form that provides additional information or explanation on how various aspects of the bank will

function. Applicants will provide the Board (among other substantive requirements):

a. Application Form
    i. Applicant and administrative information
    ii. Narrative of how the Statutory Water Bank will facilitate leasing
    iii. Attorney "Approved as to Form" signature
b. Map of Bank Service Area
c. Copy of Statutory Water Bank's organizational documents
d. Addendum with additional explanatories or comments, if necessary

2) Board of Water Resources Statutory 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 Statutory Water Bank Application. The guidelines are based on the Act and reflect pertinent provisions of the Act as they relate to Board review and approval of Statutory Water Bank Applications. As the Division and Board work through the review process it may be prudent to adjust this document to reflect actual conditions of review.

Staff Recommendations

Staff recommends that the Board authorize and direct the Division of Water Resources to receive, date, determine completeness, and post notice of Statutory Water Bank Applications in accordance with Utah Code § 73-31-203.

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

Presented by Emily Lewis, Clyde Snow & Sessions (Consultant) & Shalaine DeBernardi, Assistant Director

STATUTORY WATER BANK APPLICATION

Utah Board of Water Resources

(FOR OFFICE USE ONLY) Rev. 8/4/23

Application Number:	
Date Received:	
Date Complete:	
Date Noticed:	
Date Approved:	

INTRODUCTION:

This form is to apply to establish a Statutory Water Bank under Utah Code Title 73 Chapter 31 Part 2 ("the Act"). A Statutory Water Bank is intended to act as facilitator for local water transactions by connecting willing lessors and lessees of water. Eligible Applicants are legal entities, other than the United States or agency of the United States, who are record holders of a perfected water right or valid diligence claim to a water right, where the point-of-of diversion is encompassed within the proposed service area of the Statutory Water Bank.

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 Statutory Water Bank Application form
(2) Attach a water bank service area map, relevant governing or supporting documents, and, if necessary, an addendum that more clearly demonstrates how the Applicant meets the requirements of the Act and satisfies the requirements of this Statutory Water Bank Application Form
(3) Sign and date the Statutory Water Bank Application form
(4) Email (preferred) or mail the completed Statutory Water Bank Application to:

Shalaine DeBernardi, Assistant Director of Development
Utah Division of Water Resources
PO Box 146201
Salt Lake City, UT 84114
shalainedebernardi@utah.gov
801-652-1668

CONTACT INFORMATION:

Statutory Water Bank Applicant:		Federal Tax ID Number	
Name of Water Bank			
Official Business Address	City	State	Zip Code
Primary Contact /Registered Agent (First & Last Name), Title/Position	Phone	Email Address	
Address	City	State	Zip Code
Secondary Contact (First & Last Name), Title/Position	Phone	Email Address	
Address	City	State	Zip Code

CONTACT INFORMATION *(continued)*:			
Attorney (First & Last Name). (Can represent any party who is a member or shareholder of the legal entity constituting the Statutory Water Bank)	Phone	Email Address	
Attorney's Firm and Address	City	State	Zip Code

PROJECT INFORMATION:

1) Narrative Description of How the Statutory Water Bank Will Generally Operate:

2) County(ies) Where Statutory Water Bank is Located:	3) Type of Water Right Accepted by Statutory Water Bank (Groundwater or Surface Water – cannot be both)**:**

4) Water Right No. Owned by the Applicant (must be same type accepted by Bank): **(*Attach State Engineer's Database Printout Showing Applicant Owns Water Right*)**	5) Proposed Start of Statutory Water Bank Operations:	6) Estimated Years of Operation:

7) Initial Assessment of the Annual Volume of Water Potentially Transacted Through the Statutory Water Bank (if known):	8) List of Parties Potentially Participating in the Statutory Water Bank (if known):

9) Narrative Description of the Statutory Water Bank Service Area ***(Attach Map)***.

STATUTORY WATER BANK GOVERNANCE:

(Attach Charter, Bylaws, and other Governing Documents, proprietary information can be redacted. Please provide a generic description and cite to where the relevant information can be found in the Statutory Water Bank's primary documents)

10) Type of Legal Entity:

11) Procedures for the Election or Appointment of Governing Members:

12) Number of Initial Governing Members (may not be an even number). If more than 5 Initial Governing Members Please Add on an Addendum:

Governing Member No. 1 (First & Last Name), Title/Position		Phone	Email Address
Post Office Address		City	State / Zip Code
Term:	Qualifications:		
Governing Member No. 2 (First & Last Name), Title/Position		Phone	Email Address
Post Office Address		City	State / Zip Code
Term:	Qualifications:		
Governing Member No. 3 (First & Last Name), Title/Position		Phone	Email Address
Post Office Address		City	State / Zip Code
Term:	Qualifications:		
Governing Member No. 4 (First & Last Name), Title/Position		Phone	Email Address
Address		City	State / Zip Code
Term:	Qualifications:		
Governing Member No. 5 (First & Last Name), Title/Position		Phone	Email Address
Post Office Address		City	State / Zip Code
Term:	Qualifications:		

13) Procedures for How the Statutory Water Bank Will Fund the Water Bank's Administrative Costs:

14) Process for Dissolution or Termination of the Statutory Water Bank, including the Process for Returning Banked Water Rights and Payments Owed to Depositors of Water Rights to the Water Bank:

15) Description of the Statutory Water Bank's Complaint Resolution Process:

PROCEDURES GOVERNING WATER TRANSACTIONS:
(Attach any forms or process documents available to assist in such transactions – if additional room is needed please attach an Addendum explanation)

16) Description of How the Statutory Water Bank Will Design, Facilitate And Conduct Water Transactions Between Borrowers And Depositors:

17) Water Accounting Procedures, Including The Process(es) For Ensuring That The Aggregate Amount Of Loaned Water Rights Does Not Exceed The Total Sum Of Banked Water Rights:

18) Requirements and Process for Submitting Annual Reports to the Board of Water Resources:

PROCEDURES FOR ACCEPTING, REJECTING, AND MANAGING DEPOSITS OF WATER RIGHTS INTO THE BANK:
(Please Attach an addendum if additional space is needed)

19) What Information a Depositor Shall Provide To Inform the Statutory Water Bank, the State Engineer, or Any Other Distributing Entity Regarding The Feasibility of Using the Water Right Within The Statutory Water Bank's Designated Service Area:

20) Process For Depositors and the Statutory Water Bank to Jointly File a Change Application With the State Engineer Seeking Authorization to Deposit and Use a Water Right In the Statutory Water Bank:

21) Terms and Conditions for Depositing a Water Right with the Statutory Water Bank:

22) Conditions For a Depositor To Use a Water Right at the Heretofore Place-of-Use While Banked with the Statutory Water Bank (see § 73-31-501(4) of the Act):

23) Process for Determining Payments to Depositors:

PROCEDURES FOR ACCEPTING, REJECTING, AND MANAGING DELIVERY OF WATER RIGHTS FROM THE BANK:
(Please Attach an addendum if additional space is needed)

24) Deadline for Submitting a Delivery Request to the Statutory Water Bank:

25) Cost or Fee for Submitting a Delivery Request and Description for How the Statutory Water Bank Will Use or Apply Delivery Request Fees:

26) What Information A Borrower Is to Include on a Delivery Request To Sufficiently Inform the Statutory Water Bank, State Engineer, Or Another Distributing Entity Whether The Delivery Request Is Feasible Within the Statutory Water Bank's Designated Service Area:

27) Any Notice And Comment Procedures For Notifying Other Water Users Of The Delivery Request:

28) List of Criteria the Statutory Water Bank will use to Evaluate Delivery Requests:

29) How The Statutory Water Bank Will Inform Water Users who Have Submitted A Delivery Request if The Delivery Request Is Approved Or Denied, The Reasons For Denial If Denied, And Any Applicable Conditions If Approve:

30) Appeal Or Grievance Procedures, If Any, For A Borrower Seeking To Challenge A Denial Of A Delivery Request, Including Identifying Who Has The Burden In An Appeal And The Standards Of Review:

31) How the Statutory Water Bank Will Determine Prices for The Use of Loaned Water Right:

32) How the Statutory Water Bank Will Coordinate with The State Engineer to Facilitate Distribution Of Approved Delivery Requests:

ACKNOWLEDGEMENT AND SIGNATURE:

By signing and submitting this application, you acknowledge that:

(1) the information submitted is correct;
(2) the Statutory Water Bank will not discriminate between the nature of use in water rights, depositors, or borrowers;
(3) the Statutory Water Bank shall comply with the conditions of an approved Changed Application for a banked water right; and
(4) the Statutory Water Bank shall report to the State Engineer known violations of approved Change Applications.

_____
Name of Governing Member (1)

_____ _____
Signature of Governing Member (1) Date

_____
Name of Governing Member (2)

_____ _____
Signature of Governing Member (2) Date

APPROVED AS TO FORM AND COMPLETENESS

(to be completed by an attorney representing a member or Shareholder of the Statutory Water Bank)

_____
Attorney Name

_____ _____
Attorney Signature Date

_____
Member or Shareholder of Statutory Water Bank 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 Statutory Water Bank report.

Comments (if any):

_____
Board Member Name

_____ _____
Board Member Signature Date

FOR OFFICE USE ONLY

Board Meeting Date: _____ ☐ Approved ☐ Denied

UTAH WATER BANKING ACT - TITLE 73 CHAPTER 31
STATUTORY WATER BANK PROGRAM GUIDELINES

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. § 73-31-203 requires the Board to review, notice, and approve complete Statutory Water Bank applications as Statutory Water Banks. A Statutory Water Bank is a legal entity organized for the purpose of facilitating water leases between interested local water users. The Act allows a record holder, other than the United States or an agency of the United States, of a qualifying water right to request approval of a proposed Statutory Water Bank. Once approved, a Statutory 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.

Statutory Water Bank Program Guidelines:

1. A record holder, other than the United States or an agency of the United States, of a perfected water right or a valid diligence claim that has its point-of-diversion in the proposed Statutory Water Bank service area, can request approval of a proposed Statutory Water Bank by submitting a Statutory Water Bank application to the Board.

2. The Board must mark the date a Statutory Water Bank application is received by the Board.

3. Once marked received, the Board is required to review the Statutory Water Bank application for completeness. To be complete under Utah Code Ann. § 73-31-202, a Statutory Water Bank application must contain the following information (reflected in the Statutory Water Bank Application form):

    (a) the name of the Statutory Water Bank;
    (b) the mailing address for the Statutory Water Bank;
    (c) the type of legal entity recognized under Utah law that constitutes the Statutory Water Bank;
    (d) a proposed service area map for the Statutory Water Bank;
    (e) whether the Statutory Water Bank will accept deposits of surface water rights or groundwater rights, provided that:
        (i) a Statutory Water Bank may not accept deposits of both surface water rights and groundwater rights; and
        (ii) the applicant's perfected water right or valid diligence claim is of the type accepted by the Statutory Water Bank;

(f) a copy of the Statutory Water Bank's governing documents that specify:
  (i) the number of members of the governing body, which may not be an even number;
  (ii) the qualifications for governing members, including terms and election or appointment procedures; and
  (iii) the initial governing members' names, telephone numbers, and post office addresses;
(g) a confirmation that the applicant satisfies the criteria listed in Subsection (1)(e)(ii);
(h) procedures that describe how the Statutory Water Bank will:
  (i) determine and fund the water bank's administrative costs;
  (ii) design, facilitate, and conduct transactions between borrowers and depositors for the use of a banked water right; and
  (iii) accept, reject, and manage banked water rights, including:
    (A) what information a depositor shall provide to inform the Statutory Water Bank, the state engineer, or any other distributing entity regarding the feasibility of using the water right within the Statutory Water Bank's designated service area;
    (B) how a potential depositor is to work with the Statutory Water Bank to jointly file a change application seeking authorization from the state engineer to deposit a water right within the Statutory Water Bank;
    (C) conditions for depositing a water right with the Statutory Water Bank;
    (D) how payments to depositors are determined; and
    (E) under what conditions a depositor may use a water right at the heretofore place of use pursuant to Subsection 73-31-501(4);
  (iv) accept, review, and approve delivery requests, including:
    (A) deadlines for submitting a delivery request to the Statutory Water Bank;
    (B) a cost or fee associated with submitting a delivery request and how that cost or fee is to be applied or used by the Statutory Water Bank;
    (C) what information a borrower is to include on a delivery request to sufficiently inform the Statutory Water Bank, state engineer, or another distributing entity whether the delivery request is feasible within the Statutory Water Bank's designated service area;
    (D) any notice and comment procedures for notifying other water users of the delivery request;
    (E) the criteria the Statutory Water Bank will use to evaluate delivery requests;
    (F) how the Statutory Water Bank will inform water users who have submitted a delivery request if the delivery request is approved or

denied, the reasons for denial if denied, and any applicable conditions if approved;

(G) appeal or grievance procedures, if any, for a borrower seeking to challenge a denial of a delivery request, including identifying who has the burden in an appeal and the standards of review;

(H) how the Statutory Water Bank will determine prices for the use of loaned water rights; and

(I) how the Statutory Water Bank will coordinate with the state engineer to facilitate distribution of approved delivery requests;

(v) how the Statutory Water Bank will ensure that the aggregate amount of loaned water rights during a calendar year does not exceed the total sum of the banked water rights within the Statutory Water Bank; and

(vi) how the Statutory Water Bank will resolve complaints regarding the Statutory Water Bank's operations;

(i) the process that the Statutory Water Bank will follow if the Statutory Water Bank terminates, dissolves, or if the board revokes the Statutory Water Bank's permission to operate pursuant to this chapter, including how the Statutory Water Bank will return banked water rights to depositors and how the Statutory Water Bank will return any amounts owing to depositors; and

(j) a signed declaration or affidavit from at least two governing members of the Statutory Water Bank affirming that:

(i) the information submitted is correct;

(ii) as a condition for permission to operate, the Statutory Water Bank may not discriminate between the nature of use, depositors, or borrowers;

(iii) the Statutory Water Bank shall comply with the conditions of an approved changed application for a banked water right; and

(iv) the Statutory Water Bank shall report to the state engineer known violations of approved change applications.

4. As part of the completeness review, the Board is to determine whether the Statutory Water Bank meets the objectives Utah Code Ann. § 73-31-104. The objectives in creating a water bank are to:

promote:

(a) the optimal use of the public's water;

(b) transparency and access to water markets;

(c) temporary, flexible, and low cost water transactions between water users; and

(d) Utah's agricultural economy by providing access to water resources and income for Utah's agricultural industry;

and facilitate:

(a) robust and sustainable agricultural production while meeting growing municipal and industrial water demands, such as fallowing arrangements;

(b) water quality improvement;

(c) water rights administration and distribution; and

(d) a healthy and resilient natural environment.

5. If the Board finds the applicant has not included the necessary information to deem the application complete, the Board is to notify the applicant of any additional information or changes needed to process the application.

6. The Board is to mark the date the Board deems the Statutory Water Bank application complete.

7. Within 30-days of marking the Statutory Water Bank application complete, the Board must publish notice according to Utah Code Ann. § 73-31-103 (which references the notice procedure established under Utah Code Ann. § 73-3-6). This notice shall state that an application to create a Statutory Water Bank has been filed with the Board, where an interested party may obtain a copy of the application and any additional information related to the application, and the date, time, and place of the public meeting required by Utah Code Ann. § 73-31-204.

8. It is recommended the date of the public meeting for a Statutory Water Bank application be the next regularly scheduled Board of Water Resources meeting that falls after the notice period in under Utah Code Ann. § 73-31-103/ Utah Code Ann. § 73-3-6 has run. These notice statutes require notice of an application be published once a week for a period of two successive weeks in a newspaper of general circulation in the county in which the source of supply is located, and where the water is to be used and in accordance with Utah Code Ann. § 45-1-101 which requires two weeks of notice on the public notice website.

9. Pursuant to Utah Code Ann. § 73-31-204, on the date indicated in the notice, the Board shall hold a public meeting to inform water users within the service area of the proposed Statutory Water Bank and receive comments from water users regarding the application.

10. The Board shall accept public comments for no less than 30 days after the adjournment of the noticed public meeting. Submitting a comment does not create a right of appeal of the Board's decision under Title 63G, Chapter 4, Administrative Procedures Act, nor is the Board required to address how or whether the public comments impacted the Board's decision.

11. The applicant for Statutory Water Bank may review public comments and comments from the Board before a final decision is made by the Board. If the Statutory Water Bank desires to make changes to the Statutory Water Bank's application, the Statutory Water Bank may notify the Board in writing before the Board takes action on the application and submit a revised application following the same process that governs the filing and review of the original application for a Statutory Water Bank.

12. Pursuant to Utah Code Ann. § 73-31-205, after the 30 day public comment period has

passed, the Board shall liberally interpret the standards set in Utah Code Ann. § 73-31-202 (noted above) to find the Statutory Water Bank application complete and approve the application.

13. In approving the Statutory Water Bank Application, the Board shall:
    (a) issue an order approving the Statutory Water Bank;
    (b) approve persons to serve as the initial members of the governing body in accordance with the proposed Statutory Water Bank's structure and as noted in Utah Code Ann. § 73-31-202; and
    (c) publish the approved application on the water banking website.

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

15. Once approved as a Statutory Water Bank, 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 Statutory Water Bank service area.

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

17. 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.

Unapproved

BOARD OF WATER RESOURCES
BRIEFING MEETING
MINUTES
JUNE 29, 2023

Utah Department of Natural Resources

Utah Board of Water Resources

Board Briefing Meeting

June 29, 2023

10:00 am

BOARD MEMBERS PRESENT

Charles Holmgren

Blaine Ipson

Randy Crozier

Spencer Jones (online)

Dana Van Horn (online)

BOARD MEMBERS (Excused)

Juliette Tennert

Kyle Stephens

STAFF PRESENT

Director Candice Hasenyager

Deputy Director Joel Williams

Assistant Director Shalaine DeBernardi

Assistant Director Todd Stonely

Tom Cox

Marisa Egbert

Randy Staker

Eric Dixon

Ben Marett

Steven Gregerson

Russell Hadley

Shannon Clough

Ann Baynard

AV Team: Carmen McDonald, Paul Gedge, Seth Majors & Matt Morgan

PUBLIC

Daniel Olson, Mayor - Santaquin City

Jason Bond, Assistant City Manager -Santaquin City

Jason Callaway, Public Works Director - Santaquin City

John Lundell, City Engineer - Santaquin City

*Acting Chair today will be Charles Holmgren

CHARLES HOLMGREN called the meeting to order at 10:00 AM and announced Board Members present. Kyle Stephens and Chair Juliette Tennert were excused.

DIRECTOR CANDICE HASENYAGER announced staff and others present.

DISCUSSION OF BOARD AGENDA ITEMS:

APPROVAL OF MINUTES:

CHARLES HOLMGREN asked for any changes that needed to be made to the minutes from the last meeting. Blaine and Charles both shared with Shannon a few things that needed to be fixed. The changes will be made before the Board meeting.

FEASIBILITY REPORTS:

RE469 Grantsville Irrigation Company Tooele Russell Hadley

Russell Hadley gave a summary of the project, which includes replacing three pressure reducing valve stations, constructing above-ground vault buildings, installing power supplies, and appurtenances. The total project cost estimate is $1,760,000.00. Staff recommends the Board authorize 85% of the project cost, up to $1,496,000, and that the project be purchased at 1% interest, over 30 years, with annual payments of approximately $58,000.

RANDY CROZIER When they're getting these 300-pound (psi) surges, is it elevation that's causing that or is it the water hammer from the failure of the valve upstream?

RUSSELL HADLEY Both. The reservoir is a ways up on the hill. From PRV 1 down to PRV 2 is a pretty good elevation drop. It's a problem with both the elevation drop and the valve sticking.

RANDY CROZIER Will they be doing double valves in each building?

RUSSELL HADLEY Yes, they already have some backups installed now.

BLAINE IPSON Will they be coming back in a few years for financing for the pond?

RUSSELL HADLEY Yes. They will be coming back later. They just want to get these valves done now. It'll be the same size valves. Everything will be just the same with this pond, but it'll just give them some redundancy and it will eliminate those pressure spikes.

DANA VAN HORN Their water bills are low, and it says that they are below the Board's affordability guideline. What impact does that have on their application? Will they be required to raise it?

RUSSELL HADLEY They will be required to raise their share assessments by approximately $5.69 per share. One issue is that Grantsville City sells the culinary water, and they have really low rates. They felt like they would be punished, so we are giving them a little bit of slack and letting them repay it at 30 years. For them to meet the affordability guideline at 1% interest it was 26 years to exactly meet the guidelines.

CHARLES HOLMGREN Is this a homeowner vs agriculture issue?

RUSSELL HADLEY It's a city vs irrigation company issue. They consider themselves more of an agricultural irrigation company, even though they serve a lot of secondary connections.

DANA VAN HORN Will the increase go to the agriculture users as well as the secondary users?

RUSSELL HADLEY Yes. If you look at the financial section in the book it explains it.

COMMITTAL OF FUNDS:

RM040 Coalville City Summit Russell Hadley

The purpose of the project is to purchase and install 445 secondary meters. The cost estimate and sharing will remain as authorized. Staff recommends the Board commit 25.5% of the project cost, up to $332,000, as a loan, and that the bonded indebtedness be returned at 1% interest over 15 years, with annual payments of approximately $26,000 (including reserves).

RM042 Hooper Irrigation Company Davis Russell Hadley

The purpose of the project is to purchase and install about 1,010 secondary meters. The cost estimate and sharing remain the same. Staff recommends the Board commit 25.5% of the project cost, up to $798,000, and that the project be purchased at 1% interest over 15 years, with annual payments of approximately $57,600.

MARISA EGBERT (comes to the stand to explain some of the differences we will have with these projects.) RM100 through RM109 are Water Conservation projects, which are different from what we've been doing. This is still ARPA funding, but not for secondary metering. RM040

Coalville City and RM042 Hooper Irrigation company are Committal of Funds for the loan portion of secondary meters. RM035 Centerfield City and RM059 Moroni City will also be the Committal of Funds for the loan of the secondary meter installation. The rest are different. From RM100 - RM109 under the Project Summary (in the report), the first two paragraphs we have read several times and have been in all the reports about the secondary meter installation with the ARPA funds. In these reports we have added a third paragraph, which I will read: (Marisa read the new 3rd paragraph in these reports under Project Summary.) These are all systems that installed their meters before (May 4, 2022), some as early as 2010. An additional $18 million in the last legislative session was allocated to the Board specifically for these types of applicants. The amount of funds going towards these projects today is not interfering with the funds that we are working with already to install secondary meters. Any kind of project that conserves water falls under this. This money is not taking away from the $250 million from before.

BLAINE IPSON The first listed project, for Tremonton City, caught my attention because they have only listed five acre-feet of water conservation from this work. If we grant them $2,000,000, we are paying $400,000 per acre-foot of conserved water. It seems out of line until you read the additional work they are doing.

MARISA EGBERT They have already installed meters. They were proactive and did it without grant money. The statute did not list a minimum criteria for how much water must be saved to receive this Water Conservation grant money.

CHARLES HOLMGREN They have been working very hard to try to acquire canal shares so that they would not burden their culinary water systems. They have invested a huge amount of money to try to preserve their drinking water supply by using secondary water.

CANDICE HASENYAGER My understanding is that the legislature authorized and appropriated this money to the Board of Water Resources for this purpose, so they are giving you the discretion to provide this grant money as you see fit in line with the statute.

SHALAINE DEBERNARDI What this does not take into account is how much water they may have already conserved by installing their secondary meters before the law required it. I also wanted to note that we decided to make it easier on staff by lumping staff reports together. This is why they aren't in (numerical) project number order on the agenda.

RANDY CROZIER I believe they'll have way more savings than what this report shows. I think these numbers were extremely conservative.

RM102 Tremonton City Box Elder Russell Hadley

Russell gave a summary of the project, which includes installing approximately 22,000 feet of 6-inch and 8-inch pipeline and appurtenances, an additional pump, telemetry work, and electrical work on the city's existing secondary irrigation system. The project will add an additional 280 residential connections, the city cemetery, an elementary school, and a church to the secondary system. The project cost is estimated at $2,122,000. Staff recommends the Board

authorize and commit up to $2,000,000 as a Water Conservation grant. The Board will reimburse 100% of the eligible costs, up to $2,000,000.

RM104 Mountain Green Secondary Water Company Morgan Russell Hadley

Russell presented a summary of the project, which includes replacing a deteriorated, 50-year-old diversion structure on Cottonwood Creek. Staff recommends the Board authorize and commit 100% of the project cost, up to $301,000, as a Water Conservation grant.

BLAINE IPSON This has already been built.

SPENCER JONES Do we approve previously built projects?

RUSSELL HADLEY With this $18 million grant money, we do. Generally we do not.

BLAINE IPSON Legislation did not clarify whether we can fund past projects or not, they left it up to us.

MARISA EGBERT The application did not indicate that this project had already been built. I did not know that it had been completed until I saw the report.

SHALAINE DEBERNARDI Mountain Green was one of the entities involved in lobbying the legislature for specific funds for this part of the year, so they were very aware that they could use those funds for future projects. They were waiting for us to come up with a process to apply for those funds, which we didn't get done until earlier this year. They have been in a lot of contact with various people in the division since the law was passed. We had a special electronic meeting in February to ask the Board about having a specific application for these types of projects. Mountain Green had already submitted an application prior to this and we told them we weren't ready.

RANDY CROZIER I think it's important to make it clear in the Board meeting that Mountain Green had already submitted an application and it was set aside. We don't want to make this a precedent for the future so we need to make it clear why we are funding this project.

CANDICE HASENYAGER It is implied in the statute that this is up to the Board's discretion.

RM101 Mapleton City Utah Ann Baynard

Ann gave a summary of the project, which includes piping an open, unlined canal to Mapleton's canyon storage tanks. The estimated cost of the project is approximately $5,135,000. Staff recommends the Board authorize and commit $2,000,000 as a Water Conservation grant. The Board will reimburse 100% of the eligible costs, up to $2,000,000.

RM103 Grantsville Irrigation Company Tooele Ann Baynard

Ann presented a summary of the project, which includes installing, repairing and replacing residential meters and repairing the North and South Willow creek diversions. The estimated cost of the project is $2,800,000. Staff recommends the Board authorize and commit $2,000,000 as a Water Conservation grant. The Board will reimburse 100% of the eligible costs, up to $2,000,000.

MARISA EGBERT To clarify, this is not new development, this is switching existing culinary users to secondary.

DANA VAN HORN I didn't think these funds were supposed to be used for operations and maintenance. Replacing meters that don't work seems like O&M and there should be a budget within the Grantsville Irrigation Company to replace their meters. It also seems that you're granting new customers meters that they should be paying for themselves.

MARISA EGBERT These are existing culinary connections who are being converted to secondary. In this particular case they're stubbed, and we will have to leave that to the discretion of the Board. We also tend to distinguish between O&M and upgrading the system. We could put in the requirement that they have some sort of fund to repair and replace. There are also portions of the cost that the Board does not have to fund.

SHALAINE DEBERNARDI The code that came from HB242 now requires that they have an installation reserve fund. That was not a requirement before. When we're talking about water conservation projects for entities that installed meters before the law was passed, they funded it on their own, or with loan funds from this Board. Now it is a requirement that they have a reserve fund for purchasing, installing, and replacing existing meters and that they submit a plan to us for meter installation by 2025.

CANDICE HASENYAGER We discussed as a staff whether we would allow for people who have already metered to replace meters, and I directed the staff to look at those applications and provide them to the Board for your review.

RM109 Springville City Utah Ann Baynard

Ann gave a summary of the project, which includes piping about 3,300 feet of the Upper Highline Ditch and installing an Automatic Meter Reading (AMR) system to remotely read approximately 3,300 existing meters in Springville City. The estimated cost of the project is $2,000,000. Staff recommends the Board authorize and commit 100% of project costs, up to $2,000,000, as a Water Conservation grant.

BLAINE IPSON This application says "up to $2,000,000" and the others say "$2,000,000".

ANNY BAYNARD The others' total cost is over $2,000,000 and this one is under that amount. We won't give them the full $2 million if they don't spend it. That is the distinction.

RANDY CROZIER Are they truly 0.16 acres? That is a small property to be living on.

RM035 Centerfield City Sanpete Ben Marett

Ben gave a summary of the project, which includes purchasing and installing 480 secondary water meters. The Applicant would also like to use non-grant funds from the Board to install valves with automatic shutoff capabilities. The total estimated project cost is $1,780,000. Staff recommends the Board commit 32.4% of the project cost, up to $577,000, and that the bonded indebtedness be returned at 1% interest over 15 years with annual payments of approximately $45,000 (includes reserves).

BLAINE IPSON Are they content with these repayment terms?

BEN MARETT I told them their bond requirements would have to be changed to match the increase in funding.

RM059 Moroni City Sanpete Ben Marett

The purpose of the project is to purchase and install 511 secondary water meters. They are ready for committal of funds. Staff recommends the Board commit 25.5% of the project cost, up to $346,000, as a loan, and that the bonded indebtedness be returned at 1% interest over 15 years with annual payments of approximately $27,000 (includes reserves).

RM100 Saratoga Springs City Utah Ben Marett

Ben presented a summary of the project, which includes installing secondary water supply pipelines to neighborhoods currently using culinary water for landscape irrigation, and converting approximately 2.6 acres of turf grass park strips to waterwise landscaping. The total estimated project cost is $2,607,000. Staff recommends the Board authorize and commit $2,000,000 as a Water Conservation grant. The Board will reimburse 100% of the eligible costs, up to $2,000,000.

MARISA EGBERT Since we don't have a Provo River area Board member yet, Juliette said she could cover the projects in that area.

RM106 Roosevelt City Duchesne Ben Marett

Ben gave a summary of the project, which includes about 11,500 feet of pipeline and installing about 146 meters to provide secondary water to existing residential connections within Roosevelt City. Staff recommends the Board authorize and commit 100% of the project cost, up to $2,000,000, as a Water Conservation grant.

RM108 Spanish Fork City Utah Ben Marett

Ben gave a summary of the project, which includes replacing approximately 9,800 feet of 30-inch steel pipe with HDPE pipe. The remaining 7,600 feet of pipeline will be slip-lined with 30-inch HDPE pipe. The estimated cost of the project is $3,418,000. This is just one phase of the

total project. Staff recommends the Board authorize and commit $2,000,000, as a Water Conservation grant. The Board will reimburse 100% of the eligible costs, up to $2,000,000.

RANDY CROZIER Has this all been cut next to the railroad? Will it all be trench boxed to protect against vibrations from the trains?

BEN MARETT They have been working with the railroad.

RM105 Payson City Utah Tom Cox

Tom gave a summary of the project, which includes installing box culverts at three road crossings in conjunction with a channel improvement project that is co-funded by the Natural Resources Conservation Service (NRCS). The NRCS will cover the costs of the concrete lining, but not the box culverts. Therefore, the city is responsible for funding that cost. The project cannot be completed without the installation of the box culverts. The estimated cost of the project is $7,500,000. Staff recommends the Board authorize and commit 100% of the non-NRCS project cost, up to $2,000,000, as a Water Conservation grant.

RM107 Santaquin City Utah Tom Cox

Tom presented a summary of the project, which includes replacing approximately 2,580 mechanical meters on the secondary system which are not reading accurately. The project also includes installing the necessary communication equipment for these meters, three radio base stations and a communication tower. The estimated cost of the project is $1,690,000. Staff recommends the Board authorize and commit 100% of the project cost, up to $1,690,000, as a Water Conservation grant.

SPECIAL ITEMS:

RE470 Eden Water Works Co. (Authorization & Committal of Funds) Weber Tom Cox

Tom gave a summary of the project, which includes installing about 6,800 linear feet of 12- and 8-inch PVC transmission line. Staff recommends the Board authorize and commit 85% of the project cost, up to $1,700,000, and that the project be purchased at 1% interest over 30 years with annual payments of approximately $65,900.

NEW APPLICATIONS:

RE471 Woodland South Hills Irrigation Company Wasatch Russell Hadley

INFORMATION TO THE BOARD

SECONDARY METERING ARPA FUNDING PRIORITIZATION:

MARISA EGBERT discussed the spreadsheet for the ARPA funding prioritization process.

Staff recommends the Board approve the prioritization process as presented. Actual grant amounts will be determined when projects are presented for the Board's committal of funds.

Marisa Egbert will ask for a motion regarding the prioritization process.

LANDSCAPE CONVERSION INCENTIVE PROGRAM REPORT:

SHELBY ERICKSEN We are currently updating our Administrative Rules for the program to reflect the changes made by SB118. We are anticipating that it will be finished by the last day of this month. I will have a short presentation at the Board meeting. I will have some statistics of what we've seen so far in terms of applications.

CHARLES HOLMGREN There seems to be a lot of criticism of turf and not much criticism of trees, which use a lot of water.

DIRECTOR'S REPORT:

DIRECTOR CANDICE HASENYAGER In the interest of time, I will hold off and present at the regular Board meeting.

STATUS OF FUNDS:

SHALAINE DEBERNARDI The fiscal year is ending tomorrow. We have a new one starting on Saturday. In the Revolving Construction Fund we've got the Dam Safety Grant amendments that were committed at the last meeting. We got those contracted, but the funding isn't available until Saturday. The Cities Water Loan Fund has no change. The Conservation & Development Fund continues to move along. We had another $5 million contracted since the last Board meeting. There are several committals you'll be considering today. The secondary meter loan funds, the Eden project, all new committals that will be ready to move forward with contracting. We did get some of the small system grants contracted and ARPA just keeps rolling, with so much money and so many applicants. I added a new page, and I should have fixed where it says funds available for projects this fiscal year. It does not become available until Saturday. I added the page so you could see the total of those 10 projects that are being presented do add up to just under the $18 million that was appropriated for them. And the one new application will come from the Revolving Fund.

CAPITAL ASSET MANAGEMENT In the last Board meeting I told you that I would have the Capital Asset Plan rules ready for you to adopt today, but I don't. We received some comments from some of the districts who are concerned about the cost of what this could take and the length of time it will take. There was also a comment from Dana saying it would be helpful to have a definition of an engineer evaluation. I will need more time to confer with our Attorney Marty Bushman and Executive staff about incorporating some of those comments or considerations.

OTHER ITEMS:

MARISA EGBERT August board meeting and tour date change. We would like to consider changing the date of the Board Tour to the day before October Board meeting. I will send an email to all the Board members.

CANDICE HASENYAGER We got some really great applications for our Provo District Board member and it has moved on to the Governor's Office.

CANDICE HASENYAGER HB491, this bill gave the Board of Water Resources a new Board member for Great Salt Lake interests.We are working on names for that position as well. SB277 from this last year, it transferred $50 million dollars for each year for the next four years from the Water Infrastructure Restricted Account to the Conservation and Development (C&D) Fund for the purposes of projects that benefit the Colorado River drainage in Utah, including projects for water reuse, desalinization, building of dams, conservation, county, and municipality, that benefits the project. They have to do a lot of water conservation measurements and requirements for water usage and efficiency standards. We are working on this process because we may need a new application process.

BLAINE IPSON made a motion to adjourn.

Meeting adjourned at 12:10 PM.

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SUMMARY OF BOARD ACTIONS

JUNE 29, 2023

1. BLAINE IPSON moved to approve the May 11th, 2023 minutes. RANDY CROZIER seconded the motion. All voted in favor and the motion passed.
2. RE469 Grantsville Irrigation Company JULIETTE TENNERT made the motion that the Board authorize 85% of the project cost, up to $1,496,000, and that the project be purchased at 1% interest, over 30 years, with annual payments of approximately $58,000. RANDY CROZIER seconded the motion. All voted in favor and the motion passed.
3. RM040 Coalville City BLAINE IPSON made the motion that the Board commit 25.5% of the project cost, up to $332,000, as a loan, and that the bonded indebtedness be returned at 1% interest over 15 years, with annual payments of approximately $26,000 (including reserves). RANDY CROZIER seconded the motion. All voted in favor and the motion passed.
4. RM042 Hooper Irrigation Company DANA VAN HORN made the motion that the Board commit 25.5% of the project cost, up to $798,000, and that the project be purchased at 1% interest over 15 years, with annual payments of approximately $57,600. SPENCER JONES seconded the motion. All voted in favor and the motion passed.
5. RM102 Tremonton City RANDY CROZIER made the motion that the Board authorize and commit up to $2,000,000 as a Water Conservation grant. The Board will reimburse 100% of the eligible costs, up to $2,000,000. SPENCER JONES seconded the motion. All voted in favor and the motion passed.
6. RM104 Mountain Green Secondary Water Company SPENCER JONES made the motion that the Board authorize and commit 100% of the project cost, up to $301,000, as a water conservation grant. RANDY CROZIER seconded the motion. All voted in favor and the motion passed.
7. RM101 Mapleton City BLAINE IPSON made the motion that the Board authorize and commit $2,000,000 as a Water Conservation grant. The Board will reimburse 100% of the eligible costs, up to $2,000,000. RANDY CROZIER seconded the motion. All voted in favor and the motion passed.
8. RM103 Grantsville Irrigation Company JULIETTE TENNERT made the motion that the Board authorize and commit $2,000,000 as a Water Conservation grant. The Board will reimburse 100% of the eligible costs, up to $2,000,000. BLAINE IPSON seconded the motion. All voted in favor and the motion passed.
9. RM109 Springville City DANA VAN HORN made the motion that the Board authorize and commit 100% of project costs, up to $2,000,000, as a Water Conservation grant. SPENCER JONES seconded the motion. All voted in favor and the motion passed.

10. RM035 Centerfield City BLAINE IPSON made the motion that the Board commit 32.4% of the project cost, up to $577,000, and that the bonded indebtedness be returned at 1% interest over 15 years with annual payments of approximately $45,000 (includes reserves). RANDY CROZIER seconded the motion. All voted in favor and the motion passed.

11. RM059 Moroni City BLAINE IPSON made the motion that the Board commit 25.5% of the project cost, up to $346,000, as a loan, and that the bonded indebtedness be returned at 1% interest over 15 years with annual payments of approximately $27,000 (includes reserves). RANDY CROZIER seconded the motion. All voted in favor and the motion passed.

12. RM100 Saratoga Springs City JULIETTE TENNERT made the motion that the Board authorize and commit $2,000,000 as a Water Conservation grant. The Board will reimburse 100% of the eligible costs, up to $2,000,000. SPENCER JONES seconded the motion. All voted in favor and the motion passed.

13. RM106 Roosevelt City RANDY CROZIER made the motion that the Board authorize and commit 100% of the project cost up to $2,000,000, as a Water Conservation grant. BLAINE IPSON seconded the motion. All voted in favor and the motion passed.

14. RM108 Spanish Fork City RANDY CROZIER made the motion that the Board authorize and commit $2,000,000, as a Water Conservation grant. DANA VAN HORN seconded the motion. All voted in favor and the motion passed.

15. RM105 Payson City SPENCER JONES made the motion that the Board authorize and commit 100% of the non-NRCS project cost, up to $2,000,000, as a Water Conservation grant. RANDY CROZIER seconded the motion. All voted in favor and the motion passed.

16. RM107 Santaquin City BLAINE IPSON made the motion that the Board authorize and commit 100% of the project cost, up to $1,690,000, as a Water Conservation grant. RANDY CROZIER seconded the motion. All voted in favor and the motion passed.

17. RE470 Eden Water Works Company DANA VAN HORN made the motion that the Board authorize and commit 85% of the project cost, up to $1,700,000, and that the project be purchased at 1% interest over 30 years with annual payments of approximately $65,900. RANDY CROZIER seconded the motion. All voted in favor and the motion passed.

18. Secondary Metering ARPA Funding Prioritization RANDY CROZIER made the motion that the Board approve the prioritization process as presented. SPENCER JONES seconded the motion. All voted in favor and the motion passed.

19. RANDY CROZIER made the motion to adjourn the meeting. The Board meeting was adjourned at 3:54 PM

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

JUNE 29, 2023

Utah Department of Natural Resources

THOSE PRESENT

BOARD MEMBERS PRESENT:

Charles Holmgren, Vice Chair (will be acting Chair for today's meeting)
Blaine Ipson
Randy Crozier
Dana Van Horn (online)
Spencer Jones (online)
Juliette Tennert, Chair (online)

Not Present:
Kyle Stephens (excused)

STAFF MEMBERS PRESENT:

Director Candice Hasenyager
Deputy Director Joel Williams
Assistant Director Shalaine DeBernardi
Assistant Director Todd Stonely
Marisa Egbert
Randy Staker
Russell Hadley
Tom Cox
Steven Gregerson
Ben Marett
Ann Baynard
Laura Haskell
Shelby Ericksen
Shannon Clough
AV Team Carmen McDonald, Paul Gedge & Seth Majors

OTHERS PRESENT:

Eugene Marshall, President, Grantsville Irrigation Company
Sunnie Titmus, Secretary, Grantsville Irrigation Company
Judd Lawrence, Board Member, Grantsville Irrigation Company
Lyle Holmgren, Mayor, Tremonton City
Paul Fulgham, Public Works Director, Tremonton City
Rulon Gardner, President, Mountain Green Secondary Water Company (online)
Rob Hunter, Public Works Director/City Engineer, Mapleton City
Katie Jacobsen, Hansen, Allen & Luce Engineers, Mapleton City
Jake Nostrom, Assistant Public Works Director, Springville City
Troy Fitzgerald, City Administrator, Springville City

Jaden Sorenson, City Council, Centerfield City (online)
Garrick Willden, Jones & DeMille Engineering, Centerfield City (online)
Mark Atencio, Hansen, Allen & Luce Engineers, Saratoga Springs City
George Leatham, Assistant Public Works Director, Saratoga Springs City
Joshua Blake, City Manager, Roosevelt City
Ryan Clayburn, Assistant City Manager, Roosevelt City
Jeffrey Baker, Jones and DeMille Engineering, Roosevelt City
JR Bird, Mayor, Roosevelt City (online)
Chris Thompson, Public Works Director, Spanish Fork City
Paul Taylor, Assistant Water Division Manager, Spanish Fork City
Brian Romrell, Bowen Collins & Associates, Spanish Fork City
Bill Wright, Mayor, Payson City
David C. Tuckett, City Manager, Payson City
Travis Jockumsen, Public Works Director, Payson City
Joshua Prettyman, CRS Engineers, Payson City
Dan Olson, Mayor, Santaquin City
Jason Bond, Assistant City Manager, Santaquin City
Jon Lundell, City Engineer, Santaquin City
Jason Callaway, Public Works Director, Santaquin City
Jon Werner, President, Eden Water Works Company
Nathan Smith, JUB Engineers, Eden Water Works Company
Lawrence Suggars, Private Citizen

Utah Board of Water Resources

Board Meeting

June 29, 2023

1:00 PM Board Meeting

Department of Natural Resources Auditorium

1594 W. North Temple, Salt Lake City

CHARLES HOLMGREN called the meeting to order at 1:00 PM and announced Board Members present and Board Members attending online.

DIRECTOR CANDICE HASENYAGER announced staff present as well as others present.

APPROVAL OF THE MINUTES:

BLAINE IPSON moved to approve the meeting minutes from May 11, 2023. RANDY CROZIER seconded the motion. All voted in favor and the motion passed.

WATER SUPPLY UPDATE

LAURA HASKELL presented the state's current water conditions

FEASIBILITY REPORTS:

CHARLES HOLMGREN Asked Marisa Egbert to give an explanation about additional funds that were made available to the Board for distribution.

MARISA EGBERT This is regarding the majority of projects under the Committal of Funds on the agenda. This information does not cover the reports under the Feasibility Reports or Special Items. Specifically, this is regarding the reports for RM100 - RM109. In the 2021 Legislative Session, HB 242, now code 73-10-34, passed with requirements for secondary water suppliers with pressurized systems to install and maintain a meter for each user by January 1, 2030. During that legislative session, $50 million in ARPA funds were allocated as grant funds. In 2022, an additional $200 million in ARPA funds were allocated as grant funds. This makes a total of $250 million to reimburse up to 70% of the costs of the purchase and installation of meters. Those are through ARPA funds.

Utah Code 73-10-34.5 discusses the grant funding and some other funding for secondary meters. Marisa read Subsection 7 of the Code, regarding the Board's ability to issue a grant to secondary water suppliers that a) installed meters on secondary water connections before May 4, 2022, b) that has not otherwise received a grant under this section, c) for the purpose of water conservation, and d) in an amount not to exceed $2 million.

In February, the Board had a special electronic Board meeting, wherein the Board approved an application period of two weeks, specifically for applicants that fall under that subsection. During that time we received 10 applications.

In the 2023 Legislative Session, an additional $18 million was allocated specifically to help cover the funding for these applications.

CHARLES HOLMGREN We appreciate that clarification of where that additional money came from and how it is being allocated.

Project No. Applicant County Project Manager

RE469 Grantsville Irrigation Company Tooele Russell Hadley

RUSSELL HADLEY The Applicant supplies irrigation water to about 1,835 agricultural acres and approximately 2,136 secondary connections. Water is obtained from several creeks, stored in Grantsville Reservoir (3,500 acre-feet capacity) and a small 25-acre-foot head pond, and distributed through pipelines sized 4" to 24". There are two pressure zones in the system, a high-pressure zone and a low-pressure zone.

The Applicant's high-pressure zone necessitates numerous pressure-reducing valves (PRV). Three of those PRV stations have had numerous maintenance and performance problems. When the PRV's hydraulically activated valves malfunction ("stick"), farm risers and lines blow out. When the PRV at the top of the system malfunctions, it causes a chain reaction on the lower PRVs. This can cause pressure spikes of up to 300 psi in the lower elevation pipes and PRVs. One of the lower PRV stations (PRV #3) blew out from a pressure spike and nearly flooded homes downstream. The Applicant's system operator rebuilds the problematic PRVs every two years during the offseason; however, the PRVs continue to malfunction. If a large transmission line running through a subdivision were to blow out, significant damage could occur. There are also safety concerns about working in the underground concrete vaults. Space is limited inside the vaults to make repairs and the weight of the various valve parts make it difficult to safely remove and replace them.

The Applicant is requesting funding from the Board to replace all three PRV vaults with above-ground buildings, manifolds, isolation valves, telemetry controls and monitoring, and refurbishing the existing PRVs. The hydraulic operation systems will be replaced with electrical operation systems and telemetry to control and monitor them. Overhead access and cranes will be available to safely pull valves out when needed. A future head pond is planned below PRV #1 to reduce the pressure fluctuations on the lower system. While the pond is not part of this funding request, the installation of a pipeline to supply the future pond will be installed as part of this project. Construction of the project will make the operation and maintenance of the system safer and more manageable for employees. It will also increase safety for surrounding neighborhoods and reduce the Applicant's liability for possible flood damage.
The Applicant is currently repaying two projects to the Board. In 1983, the Board funded a project to construct Grantsville Reservoir and related transmission lines. In 2001, the Board

funded a project to replace 4,000 feet of transmission line. The final repayments for both projects are due in 2050 (report indicates 2054, which is incorrect).

Staff recommends the Board authorize 85% of the project cost, up to $1,496,000, and that the project be purchased at 1% interest, over 30 years, with annual payments of approximately $58,000.

EUGENE MARSHALL Part of the biggest problem we have with this system the way it is now is that it was designed for almost all agricultural use. Since that time, we have expanded the residential portion to more than half of the use. A lot of our lines that ran through fields were surrounded by other fields; they now run through subdivisions or have a subdivision downhill from them. The piping was put in place in 1984. A lot of it was fairly thin PVC and it doesn't take to pressure shocks. If you break a 24-inch main line with 300 pounds of pressure, you can put a lot of water out. Our employees have threatened to not go into the vaults. A couple of the vaults I don't think would classify as accessible under the confined space requirements. We would like to move them above ground where we can get access to the piping and put in electronic controls. We're trying to bring our system into at least the 20th century.

CHARLES HOLMGREN Do you anticipate any reduction to your insurance premiums by making this safer, or only peace of mind and safety enhancements?

EUGENE MARSHALL I would like to think we would get a reduction in insurance, but our insurance carrier dropped us because a local paper reported that the reservoir was full and there was a possibility of flooding. There was no danger of flooding.

RANDY CROZIER I'm wondering that as you redo these PRVs, are you going to do double PRVs so, if you have to shut one side down, you can still run? If not, I'd highly advise you to think about that.

EUGENE MARSHALL All the pressure stations have multiple PRVs in them to try and handle different flow conditions. One of the biggest problems we have is with PRV #1. We have a 16-inch valve that drops it from 175 psi to 30 psi. When the flow gets below a certain point, we start getting pressure swings. We have three other PRVs in that vault that try to pick up different flow ranges.

SUNNIE TITMUS We already don't have 100% redundancy because of the big 16-inch valve. We have a 12- and a 10- and a 6- or an 8-inch. We need the big valve to meet peak demands. So, we're not 100% redundant, but there is some redundancy there.

RANDY CROZIER As you move them above ground and rework, you might look seriously at the redundancy so that if you do have a malfunction, you can shut the valve off, run another, and rebuild. I know it costs money but sometimes those things can save a lot of other damage downstream.

SUNNIE TITMUS Another problem is that for our loan, we didn't include the cost of another 16-inch valve. They're very pricey, about a quarter of a million dollars.

RANDY CROZIER I know they are, but you've got a lot of reliability and risks downstream, so you might consider asking for a modification. I don't think the Board would be against it.

SUNNIE TITMUS We're hoping to address that through the 2nd phase when we build the head pond that Russ mentioned. And at that point if the big valve were to fail we would be able to regulate with a throttling valve and still discharge into our head pond without ramifications downstream. We may want to go to a redundant valve in Phase #3. Thanks for the input.

JULIETTE TENNERT I wanted to thank Russell for the due diligence on the work and also acknowledge that I appreciate the Applicant for being proactive, and I appreciate the advice of Board Member Crozier.

CHARLES HOLMGREN: There were no public comments about this application.

JULIETTE TENNERT I move that the Board authorize 85% of the project cost, up to $1,496,000, and that the project be purchased at 1% interest, over 30 years, with annual payments of approximately $58,000. RANDY CROZIER seconded the motion. All voted in favor and the motion passed.

COMMITTAL OF FUNDS:

RM040 Coalville City Summit Russell Hadley

RUSSELL HADLEY The purpose of the project is to purchase and install 445 secondary meters. Cost estimate and sharing remain as authorized. Staff recommends the Board commit 25.5% of the project cost, up to $332,000, as a loan, and that the bonded indebtedness be returned at 1% interest over 15 years, with annual payments of approximately $26,000 (including reserves).

CHARLES HOLMGREN There are no public comments about Coalville City. Actually, there are no public comments about any of the projects.

BLAINE IPSON made the motion that the Board commit 25.5% of the project cost, up to $332,000, as a loan, and that the bonded indebtedness be returned at 1% interest over 15 years, with annual payments of approximately $26,000 (including reserves). RANDY CROZIER seconded the motion. All voted in favor and the motion passed.

RM042 Hooper Irrigation Company Davis Russell Hadley

RUSSELL HADLEY The purpose of the project is to purchase and install about 1,010 secondary meters. The cost estimate and sharing remain as authorized. Staff recommends the Board commit 25.5% of the project cost, up to $798,000, and that the project be purchased at 1% interest over 15 years, with annual payments of approximately $57,600.

DANA VAN HORN made the motion that the Board commit 25.5% of the project cost, up to $798,000, and that the project be purchased at 1% interest over 15 years, with annual payments of approximately $57,600. SPENCER JONES seconded the motion. All voted in favor and the motion passed.

RM102 Tremonton City Box Elder Russell Hadley

RUSSELL HADLEY The Applicant began installing meters on their pressurized secondary system in 2018. The Applicant has about 1,205 secondary connections. All the connections are metered. The average lot size is 0.45 acre, with about 0.23 acre irrigated. The Applicant is requesting funding to install approximately 22,000 feet of 6-inch and 8-inch pipeline and appurtenances, such as laterals, meters, an additional pump, telemetry work, and electrical work on the city's existing secondary irrigation system. The project will add an additional 280 residential connections, the city cemetery, an elementary school, and a church to the secondary system. By adding existing culinary residential customers to the secondary irrigation system, the Applicant expects to conserve about five acre-feet of water annually upon completion of the project. They expect this result because the pressurized secondary system only delivers water from May 1st to October 1st. Thus, customers cannot irrigate outside of that time frame. Construction is expected to begin spring 2024 and be completed by fall 2024. Staff recommends the Board authorize and commit up to $2,000,000 as a Water Conservation grant.

LYLE HOLMGREN We've been developing the secondary water project program in Tremonton City since about 2017. As I have been able to watch and graph and chart some of Paul's data that he's been sending out to us, we are seeing significant improvement in efficiency in terms of our culinary water supply. As people convert over to secondary water, we're able to see that it's making a big difference. People are being efficient because we are metering all the secondary water. We are just very thrilled that you are willing to consider this application and we are willing to answer any questions you might have.

RANDY CROZIER Your application only showed five acre-feet of water savings. I think you've got a lot more there, so please internally revisit that because I think you will save more than that; it doesn't add up.

RANDY CROZIER made the motion that the Board authorize and commit up to $2,000,000 as a Water Conservation grant. The Board will reimburse 100% of the eligible costs, up to $2,000,000. SPENCER JONES seconded the motion. All voted in favor and the motion passed.

RM104 Mountain Green Secondary Water Company Morgan Russell Hadley

RUSSELL HADLEY The Applicant began installing meters on their pressurized secondary system in 2019. The Applicant has approximately 650 secondary connections. All the connections are metered. The average lot size is 0.33 acre, with about 0.28 acre irrigated. The Applicant is requesting funding to replace a deteriorated, 50-year-old diversion structure on Cottonwood

Creek. The diversion structure was in poor repair with gaps between the footings and the wall, as well as the bottom of the outlet pipe and the bottom of the diversion box. Water was being lost in the secondary system through these gaps and holes. The Applicant expects to conserve about 120 acre-feet annually from replacement of the diversion structure. Construction was completed in February 2023. The recommended cost sharing is the Board providing the total cost of $301,000 as a Water Conservation grant. Staff recommends the Board authorize and commit 100% of the project cost, up to $301,000, as a Water Conservation grant.

RULON GARDNER I think technology has improved over the past 50 years and we think a new diversion dam will work to save and conserve a lot of water. So, thank you.

CHARLES HOLMGREN During our briefing meeting, the Board had some considerable discussion regarding the time frame of this project, when it was applied, and when it was funded, and we received satisfactory information.

SHALAINE DEBERNARDI I was asked to make the same statement here in the Board meeting just to make it official before you act. This project was completed in February and typically the Board does not fund projects that are already completed. However, there was some discussion and explanation on the staff's part that the only reason that we brought this to you now is because of our delay in coming up with the process to apply for Water Conservation ARPA grants. The law that was passed allowing funding for those who had installed meters in the past prior to it being law, could apply and the Board may grant up to $2,000,000 for another water conservation project. That was passed during the 2022 legislative session. I just wanted to clarify that Rulon and the Mountain Green Secondary Company did contact me during our very first ARPA application period in April of 2022, seeking how they could request these grant funds. We kept delaying, saying we don't know because we haven't worked out the process yet. We have now had time to get this done, the funds were appropriated this year, and that is why we are bringing it to the Board today. They may have finished the project before we brought it to you, but we knew it was something they were working on and that's why we felt comfortable recommending that you fund it now.

BLAINE IPSON I initially raised the question and then Spencer followed up on it. Typically, the Board does not fund projects which are complete. I appreciate the explanation that Shalaine gave us.

SPENCER JONES made the motion that the Board authorize and commit 100% of the project cost, up to $301,000, as a water conservation grant. RANDY CROZIER seconded the motion. All voted in favor and the motion passed.

RM101 Mapleton City Utah Ann Baynard

ANN BAYNARD The Applicant began installing meters on their pressurized secondary system prior to 2018. The Applicant has approximately 1,530 secondary connections. All the secondary connections are metered. The average lot size is 0.63 acre, with about 0.40 acre irrigated. The Applicant is requesting funding to convey water from Serviceberry Springs, Dunham Springs,

and Unnamed Springs to Mapleton's canyon storage tanks. The project includes the installation of a 14-inch HDPE pipeline that will carry water previously conveyed through an open, unlined channel in Maple Canyon. By piping the unlined channel, less water will be lost to evaporation, seepage, and surrounding vegetation. The Applicant expects to conserve about 160 acre-feet of water upon completion of the project. The estimated total cost of the project is approximately $5,135,000. Staff recommends the Board authorize and commit $2,000,000 as a Water Conservation grant. The Board will reimburse 100% of the eligible costs, up to $2,000,000.

ROB HUNTER This used to be the main source of water for Mapleton City. Over time, the spring silted in and less of it made it into the pipes that came down into our system and went through the open channel. A few years ago we had to shut it off because the flow was so low and it had degraded so much and become contaminated. This project will allow us to install new pipes, get everything fixed up, rehab the springs, and get it all into our system. Besides the water savings from putting in new piping and getting it down into our system, it will provide a significant energy savings because it is up the canyon. It can feed our tanks without having to be pumped like our wells.

BLAINE IPSON made a motion that the Board authorize and commit $2,000,000 as a Water Conservation grant. The Board will reimburse 100% of the eligible costs, up to $2,000,000. RANDY CROZIER seconded the motion. All voted in favor and the motion passed.

RM103 Grantsville Irrigation Company Tooele Ann Baynard

ANN BAYNARD The Applicant began installing meters on their pressurized secondary system in 2001. The Applicant has about 2,136 secondary connections. All of the connections are metered. The average lot size is 0.60 acre, with about 0.25 acre irrigated. The Applicant is requesting funding to repair and replace two diversion structures (North Willow and South Willow) and to install, repair and replace meters. This includes meters for new secondary service for about 225 existing culinary customers, two large meters for institutional users, four inflow meters, and replacing about 1,070 meters with remote reading devices. With the meter updates, the Applicant can monitor customer use and shut off those connections where their allotment has been exceeded. The diversion structures are old, and the city indicates they have significant water losses to the system due to leaks and seepage. It is expected that about 55 acre-feet of water will be conserved upon completion of the meter installation and about 175 acre-feet of water due to the repair of the diversion structures. The estimated cost of the project is $2,800,000. Staff recommends the Board authorize and commit $2,000,000 as a Water Conservation grant. The Board will reimburse 100% of the eligible costs, up to $2,000,000.

SUNNIE TITMUS I'd like to just clarify one thing on the North Willow diversion works that is included in this estimate. We constructed part of the wall last year because we were losing a lot of water, and the conditions were dry enough to where we could go in and construct that wall.

Part of that work was done last summer and fall, and we still have a section that needs to be done this fall. I just want to clarify that some of that work is past work.

CHARLES HOLMGREN Thank you for that clarification.

JULIETTE TENNERT made the motion that the Board authorize and commit $2,000,000 as a Water Conservation grant. The Board will reimburse 100% of the eligible costs, up to $2,000,000. BLAINE IPSON seconded the motion. All voted in favor and the motion passed.

RM109 Springville City Utah Ann Baynard

ANN BAYNARD Springville City began installing meters on their pressurized secondary system in 2019. The Applicant has approximately 1,590 secondary connections, all of which are metered. The Applicant is requesting funding to pipe about 3,300 feet of the concrete lined Upper Highline Ditch with 24-inch diameter HDPE pipe. The concrete-lined ditch is deteriorating and cracking causing seepage, joint slippage, and gaps. The Applicant will also install an Automatic Meter Reading (AMR) system to remotely read about 3,300 existing culinary meters. The Applicant expects to conserve about 118 acre-feet of water, that is lost to seepage and evaporation, upon completion of the piping project. They expect to conserve additional water upon completion of the AMR system and will be able to detect leaks quickly. The estimated cost of the project is $2,000,000. Staff recommends the Board authorize and commit 100% of project costs, up to $2,000,000, as a Water Conservation grant.

TROY FITZGERALD Mayor Matt Packard expresses his regret for not being here today. He was called out of town late last night. Springville City has been aggressive about conservation. As reported our secondary system is metered. We have an aggressive tiered rate system in effect right now. The project would be very helpful for us to reduce risk. It's above rapidly changing farmland to an expensive home area. In addition, it also will allow us to work both with our own funds and development funds to expand our secondary system significantly to provide service to thousands of additional lots. We sincerely appreciate your consideration of our application.

DANA VAN HORN moved that the Board authorize and commit 100% of project costs, up to $2,000,000, as a Water Conservation grant. SPENCER JONES seconded the motion. All voted in favor and the motion passed.

RM035 Centerfield City Sanpete Ben Marett

BEN MARETT The purpose of the project is to purchase and install 480 secondary water meters with automatic shutoff valves. Their project was previously authorized back in August of 2022. They have progressed in their project and have met the requirements needed for committal of funds. They are requesting additional funds on top of what was previously authorized. They would like to include the installation of automatic shutoff valves that work in conjunction with their secondary water meters. The automatic shutoff valves work to automatically shut off once

a water allotment has been met because they do not sell water by volume basis, they deliver water according to shares. So once the share has been met, then their meters will turn off. The cost estimate and sharing, for the loan portion, have been updated to reflect the increase in cost for the automatic shutoff valves. The total updated cost of the project is $1,780,000. Staff recommends the Board commit 32.4% of the project cost, up to $577,000, and that the bonded indebtedness be returned at 1% interest over 15 years with annual payments of approximately $45,000 (includes reserves).

DANA VAN HORN I have a question about who manufactures these automatic shut off meters.

GARRICK WILLDEN A company called Smart Earth Technologies. We are working with Peterson's plumbing who are a supplier.

DANA VAN HORN Are they programmed electronically, or do they have a sealed battery in them? Is it a gate valve or does it just shut the meter off? How does it work? And the life span?

GARRICK WILLDEN It's a ball valve and it's tied into their SCADA system and so they'll be able to program it. Basically, how it will work is for a set period, like every two weeks they'll be able to set the number of gallons. It has a warranty of 10 years' full coverage and then another 5 years prorated. So 15 years. They are trying to find an equitable way to deliver everyone's water fairly.

DANA VAN HORN Does the city have a plan to collect meter fees or something to do a wholesale replacement in 10 years?

GARRICK WILLDEN Yes.

BLAINE IPSON made the motion that the Board commit 32.4% of the project cost, up to $577,000, and that the bonded indebtedness be returned at 1% interest over 15 years with annual payments of approximately $45,000 (includes reserves). RANDY CROZIER seconded the motion. All voted in favor and the motion passed.

RM059 Moroni City Sanpete Ben Marett

BEN MARETT Moroni City received authorization for their project to purchase and install 511 secondary water meters in August of 2022. They proceeded through the necessary requirements to get committal of funds for their project, which remains as authorized. With the total project cost being $1,355,000. Staff recommends the Board commit 25.5% of the project cost, up to $346,000, as a loan, and that the bonded indebtedness be returned at 1% interest over 15 years with annual payments of approximately $27,000 (includes reserves).

BLAINE IPSON made the motion that the Board commit 25.5% of the project cost, up to $346,000, as a loan, and that the bonded indebtedness be returned at 1% interest over 15 years with annual payments of approximately $27,000 (includes reserves). RANDY CROZIER seconded the motion. All voted in favor and the motion passed.

RM100 Saratoga Springs City Utah Ben Marett

BEN MARETT Saratoga Springs began installing meters on their pressurized secondary system in 2016. The Applicant has about 9,660 secondary connections, all of which are metered. The Applicant is requesting funding to install supply pipelines for secondary water to approximately 200 residential customers currently using culinary water for outside irrigation. The project also includes converting approximately 2.6 acres of city property from traditional turf grass landscaping to waterwise and xeriscape landscapes. They expect to conserve about four acre-feet of water from the city's landscape conversion. They have estimated that they will also conserve about seven acre-feet of water by providing secondary water to current culinary water customers, for a total of eleven acre-feet of savings. They expect to see a reduction in use as the secondary system has a lower pressure and will result in lower irrigation rates. The estimated cost of the project is $2,607,000. Staff recommends the Board authorize and commit $2,000,000 as a Water Conservation grant. The Board will reimburse 100% of the eligible costs, up to $2,000,000.

MARK ATENCIO We thought you might be interested in just a little more background information. Saratoga is an interesting place, because it doesn't rain there very much. We're on the opposite side of Utah Lake. We have a community that is also very in tune. Last year was very challenging. We had some mechanical failures on one of our large wells and the canals came late. And as a result, we communicated from the city to the residents and they reduced water use significantly. At the same time they said to us, "Hey, there's an area where the city owns property that was landscaped years ago and we see what you're doing. You've got turf grass and some of that water ends up in the gutter. What's wrong with the city not setting a good example for the rest of the residents?" One of our projects here, the landscaping project is to correct this. The turf grass was installed years before the conservation mindset, the need to be focused on this issue. We think this will go a long way into reinforcing the mindset of the community. The other project is a pipeline extension that is in our master plan. We currently have an area of the city that serves drinking water and so we have to use the drinking water for irrigation. We will replace that as part of our long-term plan and that extends our much more expensive drinking water supplies. Many of which were purchased from Central Utah Water Conservancy District. So those are two projects. Thanks for having us.

RANDY CROZIER What percentage of your water is coming from Central Utah now?

MARK ATENCIO It varies year to year, and in the near future 100% of our drinking water will be coming from Central Utah. Most of our wells are equipped to pump to either the drinking water or the irrigation system. That switches as the population grows.

RANDY CROZIER I was on the Central Utah Board when we purchased that water right and there were criticisms, but it's all under contract today. It's amazing to see how quickly things change. It's nice to see that it's being utilized.

BLAINE IPSON What are the main sources of your secondary water?

MARK ATENCIO We have multiple wells, but the largest volume of water comes from a pump station on Utah Lake. Utah Lake also comes back through irrigation companies.

JULIETTE TENNERT made the motion that the Board authorize and commit $2,000,000 as a Water Conservation grant. The Board will reimburse 100% of the eligible costs, up to $2,000,000. SPENCER JONES seconded the motion. All voted in favor and the motion passed.

RM106 Roosevelt City Duchesne Ben Marett

BEN MARETT Roosevelt City began installing meters on their pressurized secondary system in 2010. The Applicant currently has approximately 740 secondary connections, all of which are metered. The average lot size is 0.50 acre, with about 0.24 acre irrigated. The Applicant is requesting funding to install about 146 meters and approximately 11,500 feet of pipeline to provide secondary water to existing residential connections within Roosevelt City. The proposed pipeline will provide secondary water to residential customers currently using culinary water for outdoor irrigation. The Applicant expects to conserve about 60 acre-feet of water upon completion of the project. Because the secondary system only runs between April and September, customers will not be able to irrigate outside that timeframe. Due to this, they expect to see a reduction in use. The estimated cost of the project is $2,000,000. Staff recommends the Board authorize and commit 100% of the project cost, up to $2,000,000, as a Water Conservation grant.

RYAN CLAYBURN We currently serve about 750-760 customers, which is not quite half of our water system. This project will be Phase three to us, which will get almost half of our residents in secondary water, which is huge. It'll conserve our culinary water source. We are very appreciative.

RANDY CROZIER made the motion that the Board authorize and commit 100% of the project cost up to $2,000,000, as a Water Conservation grant. BLAINE IPSON seconded the motion. All voted in favor and the motion passed.

RM108 Spanish Fork City Utah Ben Marett

BEN MARETT Spanish Fork City began installing meters on their pressurized secondary system in 2002. The Applicant has approximately 10,000 secondary connections. All the connections are metered. The average lot size is 0.25 acre, with about 0.14 acre irrigated. The Applicant is requesting funding to replace approximately 9,800 feet of 30-inch steel pipe with HDPE pipe. The transmission line delivers 1,000 to 2,000 gallons per minute (gpm) of culinary water to the city. The pipeline has been responsible for up to half of the City’s water losses on the culinary system. The pipeline runs next to Highway 6, near the railroad right-of-way, through Spanish Fork Canyon. Approximately 2,200 feet of the pipeline will be “open cut” and replaced with 24-inch HDPE pipe. The remaining 7,600 feet of pipeline will be slip-lined with 30-inch HDPE pipe. They expect to conserve about 800 acre-feet of water per year upon completion of the

project. The estimated cost of the project is $3,418,000. Staff recommends the Board authorize and commit $2,000,000, as a Water Conservation grant.

CHRIS THOMPSON We really appreciate consideration by the Board on this grant. We feel like it's a really good quality project to conserve water. We had a break in this pipe, underneath Highway 6, about 12 years ago and it destroyed Highway 6. We put some cameras into the pipe and looked at a lot of cathodic problems that were occurring. Since then, we've reduced pressure and we're using it in a lower zone, but we've been able to line half of the pipeline in the higher-pressure area and were very successful at that project. As this project continues, we will replace the rest of the pipeline and make it not only safer for the people on Highway 6 with this pipeline along it, but conserve a lot of water as well.

BRIAN ROMRELL As much as possible, we will slip-line that 2,200 feet, but it'll depend on what the railroad allows us to do.

RANDY CROZIER made the motion the Board authorize and commit $2,000,000, as a Water Conservation grant. DANA VAN HORN seconded the motion. All voted in favor and the motion passed.

RM105 Payson City Utah Tom Cox

TOM COX Payson City began installing meters on their pressurized secondary system in 2019. The Applicant has approximately 5,300 secondary connections. All the connections are metered. The average lot size is 0.20 acre, with about 0.11 acre irrigated. The Applicant is requesting funding to install box culverts at three road crossings in conjunction with a channel improvement project that is co-funded by the Natural Resources Conservation Service (NRCS). The purpose of the project is to line about 3,600 feet of the Dry Creek Channel with concrete. The NRCS will cover the costs of the concrete lining, but not the box culverts. Therefore, the city is responsible for funding that cost. The project cannot be completed without the installation of the box culverts. By lining the canal, it is anticipated that about 850 acre-feet of seepage loss will be eliminated upon completion of the entire Dry Creek Channel improvement project. Construction timing depends on the NRCS, but the box culvert portion can be built as a stand-alone project and be completed prior to the end of 2026 if it becomes a problem. The estimated cost of the total project is $7,500,000, with just the box culvert portion costing about $2,000,000. Staff recommends the Board authorize and commit 100% of the non-NRCS project cost, up to $2,000,000, as a Water Conservation grant.

TRAVIS JOCKUMSEN We'd like to thank the Board for this opportunity. A few years ago we put in all of our meters with a loan from this Board and even last year with the drought, we probably saved two or three hundred acre-feet.

BILL WRIGHT If this request is granted, a lot of the residents there and Heritage Village will rest a lot easier as high water comes down the canyons. With these bigger culverts, it'll reduce that pressure.

SPENCER JONES made a motion that the Board authorize and commit 100% of the non-NRCS project cost, up to $2,000,000, as a Water Conservation grant. RANDY CROZIER seconded the motion. All voted in favor and the motion passed.

RM107 Santaquin City Utah Tom Cox

TOM COX Santaquin City began installing meters on their pressurized secondary system in 2007. The Applicant has approximately 3,990 secondary connections. All the connections are metered. The average lot size is 0.30 acre, with about 0.23 acre irrigated. The Applicant is requesting funding to replace approximately 2,580 mechanical meters on the secondary system which are not reading accurately. The project also includes installing the necessary communication equipment for these meters: three radio base stations and communication towers. The Applicant expects to conserve about 230 acre-feet of water upon completion of the project. The estimated cost of the project is $1,690,000. Staff recommends the Board authorize and commit 100% of the project cost, up to $1,690,000, as a Water Conservation grant.

DANIEL OLSON Thank you to the Board, we are honored to be here and grateful for the monies offered that will help our city. I like to refer to Santaquin as the poster child for saving water, conserving water, and using water in the best possible ways. We've invested in our city in many different ways, including a sewer treatment facility that gets 100% of water back out to reutilize. Being able to repair and stop leaks will only add to those water savings.

BLAINE IPSON made a motion that the Board authorize and commit 100% of the project cost, up to $1,690,000, as a Water Conservation grant. RANDY CROZIER seconded the motion. All voted in favor and the motion passed.

SPECIAL ITEMS:

RE470 Eden Water Works Co. (Authorize & Commit) Weber Tom Cox

TOM COX Eden Water Works Company provides culinary water to approximately 527 residential, commercial, and industrial connections. The proposed project is in Eden, north of Pineview reservoir in Weber County. Water is obtained from springs and two wells, stored in two tanks with a combined capacity of 1.5 million gallons, and delivered through approximately 28 miles of pipeline ranging from four- to 12-inches in diameter. The oldest pipes in the current system were installed in the 1960's and include four-inch diameter pipes that are undersized for current standards and are reaching the end of their useful life. Because of the smaller diameter pipes, the system does not have the required fire flow capacity and the current configuration limits the ability to serve the lower part of the system. The Applicant is requesting financial assistance from the Board to install approximately 6,800 feet of 8- and 12-inch culinary water pipeline. They have completed most of the Board's requirements, so the Applicant requests the funding be authorized and committed at this time so they can begin construction as soon as possible.

The estimated cost is $2,000,000. Staff recommends the Board authorize and commit 85% of the project cost, up to $1,700,000, and that the project be purchased at 1% interest over 30 years with annual payments of approximately $65,900.

JON WERNER Thank you for the opportunity. We are trying to bring Eden into the 21st century. We've gone to great effort to develop a master plan, thanks to JUB Engineering, and they pointed out deficiencies in our system, including fire flow protection and redundancy in the system. This loan would go a long way to making our system whole and safe.

BLAINE IPSON What is your proposed timeline?

NATHAN SMITH We plan to begin construction August 1st and be completed November 1st.

DANA VAN HORN asked for clarification about the size of the pipeline versus the size of the fire hydrants and the distance between fire hydrants.

NATHAN SMITH We will be replacing existing hydrants. The hydrants are mainly located in commercial areas, but the majority of our pipeline is actually through a rural community. We will be adding additional fire hydrants that currently do not exist for those residents. So that's why there's so few fire hydrants as we are going through a rural part of town where there are no other connections. Within residential and commercial areas, the hydrants will be within the 500 foot distance, but in rural areas with no connections, we will not be including hydrants at this time.

DANA VAN HORN made a motion that the Board authorize and commit 85% of the project cost, up to $1,700,000, and that the project be purchased at 1% interest over 30 years with annual payments of approximately $65,900. RANDY CROZIER seconded the motion. All voted in favor and the motion passed.

NEW APPLICATIONS:

RE471 Woodland South Hills Irrigation Company Wasatch Russell Hadley

No presentation or action at this time; the project will be presented at a later date.

PUBLIC COMMENT:

LAWRENCE SUGGARS addressed the Board with questions and comments about the water budget.

SECONDARY METERING ARPA FUNDING PRIORITIZATION:

Legislative Summary

MARISA EGBERT In the 2021 Legislative session, $50,000,000 from the American Rescue Plan Act (ARPA) funds were allocated to the Board of Water Resources (Board) to provide grants to

secondary water suppliers to install meters. In addition, the Board was directed to adopt rules for these funds and adopted R653-10.

Those rules indicate that "(a) A secondary water supplier with 7,000 secondary water connections or fewer may receive no more than $5,000,000 in grant funds. (b) A secondary water supplier with more than 7,000 secondary water connections may receive no more than $10,000,000 in grant funds."

In the 2022 Legislative session, legislation was passed that requires pressurized secondary water suppliers to meter all secondary connections (see Utah Code 73-10-34) and allocated an additional $200,000,000 in ARPA funds to provide grant funds to install secondary meters. The law included the same requirements for the maximum limit of the grant amounts and prioritization that the Board adopted in R653-10 and codified it for the additional funds.

During a 3rd application period, applicants that had previously received the maximum limit of the ARPA funds from the $200,000,000 allocation could apply again for additional grant funding from the $50,000,000.

Requirements of Prioritization

Since the applications total more than the funding available, the code requires that the Division of Water Resources (Division) review and prioritize applications and make recommendations to the Board regarding grant amounts. The Division is required to rank the applications based on the following weighted factors:

- 60% weight based on the ratio of estimated water use reduction divided by total state investment.
- 20% weight based on an applicant facing current or potential water shortages when installation of meters and subsequent water use reductions will result in delaying or eliminating the need for new water development.
- 20% weight based on a project's accelerated construction schedule, prompt start, and prompt finish.

The submitted applications include the information needed to evaluate the applications for each of these three factors.

Staff recommends the Board approve the prioritization process as presented.

Actual grant amounts will be determined when projects are presented for the Board's committal of funds at future Board meetings.

RANDY CROZIER made a motion that the Board approve the prioritization process as presented. SPENCER JONES seconded the motion. All voted in favor and the motion passed.

LANDSCAPE CONVERSION INCENTIVE PROGRAM REPORT:
SHELBY ERICKSEN presented the following information and a sample demonstration of the Utah Water Savers Website

Background:

• Funded by HB 121 (2022), SB 118 (2023)

• $5M one-time funding 2022, $5M one-time funding 2023, $3M ongoing funding

• Intention: Save water by replacing existing grass in non-functional areas with waterwise landscaping

• Cities and Counties must adopt ordinances for new construction before the landscape incentives program will be offered in their area

• A list of eligible cities can be found at conservewater.utah.gov/landscape-rebates/

• Partnerships with Central Utah, Jordan Valley, Washington County, and Weber Basin Water Conservancy Districts to make this program possible

• Administrative rules being updated to reflect changes made by SB 118

Implementation:

• Launched May 1, 2023 through UtahWaterSavers.com to eligible cities

• Central Utah, Jordan Valley, Washington County, and Weber Basin Water Conservancy Districts are running landscape incentive programs in their areas with the help of state funds

• In areas outside of the conservancy district service areas, the Division of Water Resources is running the program

• Over 40 cities are currently eligible for incentives

• Region-specific program requirements

Looking Ahead:

• More cities become eligible for incentives every week

• SB 118 expanded incentives to include more than private properties

• Many properties opt to DIY their projects, projects take time

• Additional website updates

• Program changes as needed

DIRECTORS REPORT:
CANDICE HASENYAGER I realize it's late, so I will try to keep my remarks brief.

Water Supply Report

I just want to highlight Laura Haskell's great Water Supply Report. Bear Lake is at an elevation of 5,917.2 ft, that's a raise of almost 7.2 feet from January. So it's still down about 300,000 acre-feet. Lake Powell is 3,582.7 feet, which is a rise of almost 63.2 feet from April, putting it at about 39% capacity. About 4.2 million-acre feet of water has gone into it. Great Salt Lake raised to about 4,194 feet, which is about 5.5 feet over the previous record low last November. So it was a good runoff year.

Ag Water Optimization

With the passage of SB277, the Ag Optimization Task Force was retired and replaced with a new committee. We're super grateful for all their work. The final meeting was on June 9th. The website will be maintained by the Division and there will be some new items added to it. The new Ag Optimization Committee will take over July 1st. The new AG Optimization Committee has been identified and confirmed. We have Executive Director of DNR Joel Ferry, the Commissioner of Ag Craig Buttars, myself (Candice Hasenyager), the State Engineer Teresa Wilhelmsen, from USU Dr. Ken White, for the Conservation Districts we have Jason Morgan, for the Conservancy Districts we have William Merkley. Then we have three AG representatives, Jeff Hardy, Bret Bunker, and Brandon Yardley. We will have our first meeting in July.

Colorado River Update

There are a lot of things going on in the Colorado River. The Bureau of Reclamation paused its EIS Draft on the 2007 interim guidelines process to analyze a new alternative. They put a pause on it, really because they had a new alternative that was submitted by the Lower Basin states. The Upper Basin states didn't necessarily approve it because we haven't seen the outcome of it. The Upper Basin states did agree and recommend to the Bureau to include it as part of the analysis. There's still a lot more to learn about this alternative but its structures are estimated to conserve about 3,000,000 acre-feet in the Lower Basin over the next three years. We're waiting for the modeling of what that looks like.

The Bureau of Reclamation also recently released a Notice of Intent regarding the EIS for the post-2026 operations. As you remember, the 2007 Interim Guidelines - they have a date set to expire at the end of 2026, so we're all trying to prep for that. The Salinity Control Forum is working on getting some legislation passed as part of the upcoming Farm Bill. And this legislation is aimed at reducing the state's required cost share as part of the EQIP program to help correct some of the funding imbalance. The Lower Basin Development Fund, which the program draws from, has experienced significant reduction in hydropower generation and contributed to this problem. And because of the big water year, the 2023-2024 DROA (Drought Response Operations Agreement) has been finalized, all geared toward recovery of the 588,000 acre-feet that was released from Flaming Gorge over the last couple of years. So, now the goal

is: how much can we get back? We want to recover all of it. Approximately 178,000 has already been recovered and the rest is estimated to be recovered by February 2024.

Watershed Councils Update:

There's been a lot of great work going on. On July 13th, the Weber River Watershed Council and the Utah Lake Watershed Council will seek certification from the Utah Watershed Council (the state council). We already had the Bear River and Jordan River Watershed councils come before the state council and receive conditional certification in our April meeting. We're also working to organize the West Desert Watershed Council and the Uintah Basin Watershed Council. Once the West Desert is convened and established, we can start working on the Great Salt Lake Watershed Council.

Water Conservation update:

We have draft water conservation plans that will be coming in. All public water suppliers that have over 500 connections have to submit a water conservation plan every five years. They'll start sending them in to our office, then we'll get them reviewed and provide feedback. The finalized plans are due in December at the end of the year for compliance with the Water Conservation Plan Act.

At the beginning of June, we had our second Growing Watersmart Workshop. It brings the land and water planners together. It is a two and a half day workshop that took place in Logan. We had seven communities participating: Box Elder County, Cache County, Clearfield City, Cottonwood Heights, North Logan City, North Salt Lake City, and Salt Lake City. We are planning another workshop later this year in the southern part of the state in the Washington County area.

We had our first Utah Water Ways (HB307) informal Board meeting yesterday. This is to develop a public-private partnership to help educate on water: water conservation, water quality, agricultural water use - to help bring people together. The meeting went well, but we are actually not official as a nonprofit until July 1st, because that's when the section became effective. But we have a very tight deadline as we have to have an executive director hired by August 1st.

RANDY CROZIER The big thing out there that nobody wants to address is watershed restoration and the mismanagement of our public lands and our watersheds. If we could go in and clean them up, we would see a substantial water yield. I know it’s a tough one, but it’s something we need to address if we want to solve long-term issues. If we manage the watersheds better, there can be a substantial yield of water. I recommend finding past reports about how to improve the management, including using fire and controlled burns.

CHARLES HOLMGREN asked about the naming of the Great Salt Lake Commissioner.

CANDICE HASENYAGER Another big piece of legislation – the passage of HB491 - created the Office of the Great Salt Lake Commissioner, and Brian Steed was appointed the Commissioner

and confirmed by the Senate. He is maintaining his role at USU at the Land Water and Air Institute, so he’s got a lot of jobs to do. He’ll do a great job. We've already had some initial meetings with him and I'm really looking forward to working with him.

SPENCER JONES asked if we could have some information and data about controlled burns in the watersheds on a future agenda.

CANDICE HASENYAGER indicated that we would need a little time to find the right person and have them on the agenda.

CHARLES HOLMGREN I had some really good feedback from Carl Mackley, who attended the Growing Watersmart Workshop and really appreciated the efforts from the Division there.

RANDY CROZIER moved to adjourn the meeting.

The Board meeting was adjourned at 3:54 PM

AUGUST 2023