

BOARD OF WATER RESOURCES

BOARD MEETING



PLAN



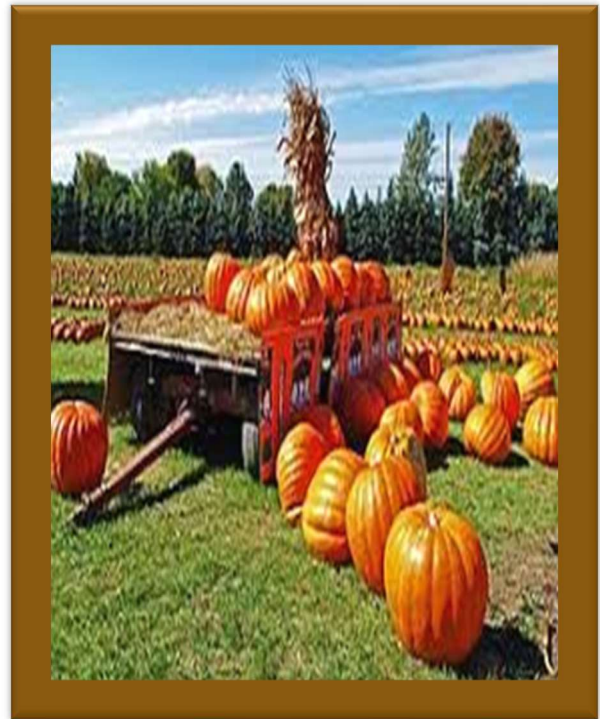
CONSERVE



DEVELOP



PROTECT



OCTOBER 5, 2023



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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12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28				

March						
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12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

April						
S	M	T	W	T	F	S
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16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

May						
S	M	T	W	T	F	S
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14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

June						
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	

July						
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23	24	25	26	27	28	29
30	31					

August						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
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20	21	22	23	24	25	26
27	28	29	30	31		

September						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
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17	18	19	20	21	22	23
24	25	26	27	28	29	30

October						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
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15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

November						
S	M	T	W	T	F	S
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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		

December						
S	M	T	W	T	F	S
					1	2
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10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

December 5 (Tues) Salt Lake City

Agenda
Utah Board of Water Resources
Board Briefing Meeting

October 5, 2023
8:00 am

I. WELCOME/CHAIR'S REPORT

*Chair 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

October 5, 2023

8:00 AM Briefing

10:00 AM Board Meeting

Sunrise Resort & Event Center
865 N. Harbor Village East Drive
Garden City, UT 84028

Link to presentations and public comment form:

<https://water.utah.gov/comments/>

Livestream Links

Briefing Meeting: https://youtube.com/live/lq6_dAFsPe0

Board Meeting: <https://youtube.com/live/Fyh6A0uBvrU>

APPROVAL OF MINUTES

<u>Project No.</u>	<u>Applicant</u>	<u>County</u>	<u>Project Manager</u>
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COMMITTAL OF FUNDS:

RM034	Manti City Creek Water Users Mutual Assoc.	Sanpete	Marisa Egbert
RM074	Lehi City (Additional Grant Funds)	Utah	Tom Cox
RM115	Davis & Weber CCC (Additional Grant Funds)	Davis	Tom Cox
RM116	Bountiful Irr. Distr. (Additional Grant Funds)	Davis	Tom Cox
RM112	Roy WCD (Additional Grant Funds)	Weber	Russell Hadley
RM113	South Ogden CD (Additional Grant Funds)	Weber	Russell Hadley
RM114	Weber-Box Elder CD (Additional Grant Funds)	Weber	Russell Hadley
RM110	Syracuse City (Additional Grant Funds)	Davis	Ann Baynard
RM111	Weber Basin WCD (Additional Grant Funds)	Davis	Ann Baynard

SPECIAL ITEMS:

RC066	Hurricane City (Dam Safety-Frog Hollow)	Washington	Ben Marett
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STATUTORY WATER BANK APPLICATION:

Shalaine DeBernardi

RULE - DISPOSAL OF REAL PROPERTY"

Marisa Egbert/Liz Harris (AG)

CLOUD SEEDING REPORT AND REQUEST FOR FUNDING:

Todd Stonely

2024 BOARD MEETING SCHEDULE

DIRECTOR'S REPORT:

Candice Hasenyager

ADJOURNMENT

BOARD OF WATER RESOURCES

REVOLVING CONSTRUCTION FUND

**Funding Status
October 5, 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 Hurricane City	RC066	**Grant	2,296,000	10/05/23
4 Newton Water Users Association	RE461		618,000	01/19/23
5 Washington County Flood Contr. Auth. (Warner)	RC049	**Grant	212,000	03/22/17
6 Washington County Flood Contr. Auth. (Stucki)	RC050	**Grant	88,400	03/22/17
7 West Milburn Irrigation Company	RE442		335,000	10/08/20
8 Woodland South Hills Irrigation Company	RE471		617,000	08/10/23
Total Funds Committed		\$	5,391,000	
Funds Balance		\$	26,792,000	

Projects Authorized

1 None	\$	-	
Total Funds Authorized		\$	-
Remaining Funds Available	(End of year balance if all listed projects were fully paid)	\$	26,792,000

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

BOARD OF WATER RESOURCES

CITIES WATER LOAN FUND

**Funding Status
October 5, 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
October 5, 2023**

Funds Available for Projects This FY **\$ 109,872,000**

Projects Contracted/Bonds Closed This FY

1 Centerfield City	RM035	**	\$ 577,000	08/08/23
2 Coalville City	RM040	**	332,000	08/29/23
3 Consolidated Sevier Bridge Reservoir Co	RC023		700,000 (Add'l Amt.)	07/05/23
4 Draper Irrigation Co (Phase 1)	RE450		6,435,000	07/18/23
5 Hights Creek Irrigation Company	RM012	**	1,822,000	07/13/23
6 Henefer Town	RE431		2,157,000	08/29/23
7 Moroni City	RM059	**	<u>346,000</u>	07/13/23

Total Funds Contracted/Closed **\$ 12,369,000**
 Funds Balance **\$ 97,503,000**

Projects with Funds Committed

1 City of South Salt Lake	RE458		\$ 8,500,000	08/04/22
2 Davis & Weber Counties Canal Company	RE460		1,530,000	08/10/23
3 Davis & Weber Counties Canal Company	RE462		2,000,000	03/22/23
4 Eden Water Works Company	RE470		1,700,000	06/29/23
5 Heber City	RM038	**	1,875,000	03/22/23
6 Hooper Irrigation Company	RM042	**	798,000	06/29/23
* 7 Manti City Creek WUMA	RM034	**	956,000	10/05/23
8 Mayfield Irrigation Company	RM036	**	253,000	08/10/23
9 Mountain View Irrigation Company	RM033	**	743,000	12/06/22
10 Newton Water Users Association	RM044	**	92,000	09/15/22
11 North Summit Pressurized Irrigation Company	RM055	**	213,000	09/15/22
12 Richmond Irrigation & Power Company	RM010	**	606,000	10/27/22
* 13 Roy Water Conservancy District	RM112	**	1,839,000	10/05/23
14 Smithfield Irrigation Company	RM054	**	1,020,000	09/15/22
* 15 South Ogden Conservation District	RM113	**	1,389,000	10/05/23
16 Summit Creek Irrigation and Canal Co (Phase 4)	RE308		373,700	05/11/23
* 17 Weber-Box Elder Conservation District	RM114	**	1,728,000	10/05/23
18 Wellington City	RM058	**	484,000	03/22/23
19 Wolf Creek Irrigation Company	RM067	**	<u>132,600</u>	05/11/23

Total Funds Committed **\$ 26,232,000**
 Funds Balance **\$ 71,271,000**

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 Liberty Pipeline Co	RE468		3,293,000	08/10/23
5 Veyo Culinary Water Association	RE445		969,000	03/17/21
6 Weber-Box Elder Cons Dist	RE400		1,687,000	08/10/17
7 Woodruff Irrigating Co	RE365		<u>3,200,000</u>	03/18/15

Total Funds Authorized	\$ 23,570,000
Funds Balance	<u>\$ 47,701,000</u>

Secondary Meter Projects Authorized
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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	Davis & Weber Counties Canal Company	RM115	**	1,869,000	10/05/23
8	Fillmore Water Users Association	RM089	**	395,000	03/22/23
9	Fountain Green Irrigation Co	RM049	**	303,000	08/04/22
10	Glenwood Irrigation Company	RM088	**	280,000	03/22/23
11	Horseshoe Irrigation Company	RM032	**	259,000	08/04/22
12	Liberty Irrigation Association	RM041	**	204,000	01/19/23
13	Loa Town	RM075	**	97,000	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	Syracuse City	RM110	**	4,182,000	10/05/23
27	Wanship Irrigation Company #2	RM087	**	<u>130,000</u>	03/22/23

Total Funds Authorized	\$ 17,170,000
Remaining Funds Available (End of year balance if all listed projects were fully paid)	<u>\$ 30,531,000</u>

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

BOARD OF WATER RESOURCES

SMALL SYSTEM SECONDARY METER GRANT FUNDS

**Funding Status
October 5, 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
October 5, 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
2 Settlement Canyon Irrigation Company	RM037	<u>490,000</u>	08/09/23
Total Funds Contracted		\$ 2,681,000	
Funds Balance		\$ 86,157,000	

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 Bountiful Irrigation District	RM116	7,389,000	10/05/23
6 Castle Valley Special Service District	RM027	5,000,000	08/04/22
7 Center Hyde Park Water Pipeline Company	RM063	91,000	08/04/22
8 Centerville Deuel Creek Irrigation Company	RM056	5,000,000	08/04/22
9 Coalville City	RM040	910,000	08/04/22
10 Corn Creek Irrigation Company	RM094	834,000	03/22/23
11 Cottonwood Gooseberry Irrigation Company	RM095	2,305,000	03/22/23
* 12 Davis & Weber Counties Canal Company	RM115	5,129,000	10/05/23
13 Fillmore Water Users Association	RM089	1,085,000	03/22/23
14 Fountain Green Irrigation Company	RM049	832,000	08/04/22
15 Glenwood Irrigation Company	RM088	770,000	03/22/23
16 Horseshoe Irrigation Company	RM032	710,000	08/04/22
17 Leeds Water Company	RM069	364,000	08/04/22
* 18 Lehi City	RM074	6,223,500	10/05/23
19 Liberty Irrigation Association	RM041	560,000	08/04/22
20 Loa Town	RM075	266,000	08/04/22
21 Magna Water District	RM091	350,000	03/22/23
22 Minersville Reservoir and Irrigation Company	RM098	500,000	03/22/23
23 Monroe City	RM092	2,022,000	03/22/23
24 Morgan Secondary Water Association	RM086	1,757,000	03/22/23
25 Mt. Pleasant City	RM085	2,002,000	03/22/23
26 Newton Town Sprinkling Company	RM045	360,000	08/04/22
27 Newton Water Users Association	RM044	252,000	08/04/22
28 North Summit Pressurized Irrigation Company	RM055	584,000	08/04/22
29 Panguitch City	RM096	1,295,000	03/22/23
30 Paradise Irrigation & Reservoir Company	RM064	1,908,000	08/04/22
* 31 Roy Water Conservancy District	RM112	5,046,500	10/05/23
32 Salem City	RM077	2,590,000	01/19/23
33 Sand Creek Irrigation Company	RM097	294,000	03/22/23
34 Smithfield Irrigation Company	RM054	2,800,000	08/04/22
* 35 South Ogden Conservation District	RM113	3,814,000	10/05/23
36 Springdale, Town of	RM076	90,000	10/27/22
* 37 Syracuse City	RM110	1,479,000	10/05/23

38 Wanship Irrigation Company #2	RM087	357,000	03/22/23
* 39 Weber Basin Water Conservancy District	RM111	7,277,000	10/05/23
* 40 Weber-Box Elder Conservation District	RM114	<u>4,743,000</u>	10/05/23
Total Funds Committed		\$ 84,915,000	
Funds Balance		<u>\$ 1,242,000</u>	

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	<u>168,000</u>	08/04/22
Total Funds Authorized		\$ 1,242,000	
Funds Balance		\$ -	

* To be presented at Board Meeting

BOARD OF WATER RESOURCES

ARPA WATER CONSERVATION PROJECT GRANT FUNDS

Funding Status
October 5, 2023

Funds Available for Projects This FY \$17,991,000

Projects Contracted This FY

1 Mountain Green Secondary Water Company	RM104	\$ 301,000	09/18/23
2 Payson City	RM105	2,000,000	09/06/23
3 Santaquin City	RM107	1,690,000	09/27/23
4 Tremonton City	RM102	2,000,000	08/15/23

Total Funds Contracted \$ 5,991,000
Funds Balance \$12,000,000

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 Roosevelt City	RM106	2,000,000	06/29/23
4 Saratoga Springs	RM100	2,000,000	06/29/23
5 Spanish Fork City	RM108	2,000,000	06/29/23
6 Springville City	RM109	2,000,000	06/29/23

Total Funds Committed \$ 12,000,000
Funds Balance \$ -

* To be presented at Board Meeting

BOARD OF WATER RESOURCES

October 5, 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 Morgan City	RL589	CWL	2,552,000	6,004,200	08/19/22
8 Sanpete WCD (Narrows Dam)	RD377	C&D	29,325,000	34,500,000	04/07/83
9 Settlement Canyon Irrigation Co (Phase 2)	RE240	C&D	552,500	650,000	10/02/08
10 Uintah WCD	RE316	C&D	36,550,000	43,000,000	10/10/13
11 Weber Basin WCD	RE312	C&D	85,000,000	100,000,000	04/16/12
12 Wellsville-Mendon Conservation District	RE364	C&D	680,000	800,000	03/18/15
Subtotal			\$ 171,458,000	\$ 208,207,000	

* New Application

Applicant: **Manti City Creek WUMA**

Project Number: RM034
Fund: Conservation and Development Fund
Total Cost: \$3,747,000

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

Board Member: Blaine Ipson
Project Manager: Marisa Egbert

Project Summary: The purpose of the project is to purchase and install approximately 1,100 secondary meters on the pressurized secondary water system.

Recommendation: Staff recommends the Board commit 25.5% of the project cost, up to \$956,000, and that the project be purchased at 1% interest over 15 years, with annual payments of approximately \$69,000.

Project Contacts:

President:
Bryan Hintze
50 South Main Street, Suite 2
Manti, UT 84642
435-851-0704

Secretary:
Polly Martinez
50 South Main Street, Suite 2
Manti, UT 84642
435-835-6229

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 Manti City in Sanpete County.

Project Summary

The purpose of the project is to purchase and install approximately 1,100 secondary meters on the pressurized secondary water system.

Cost Estimate & Sharing

The cost estimate and sharing remain as authorized:

Agency	Authorized Cost Sharing	% of Total
Board of Water Resources - Loan	\$956,000	25.5%
Board of Water Resources - Grant	2,623,000	70.0
Applicant	168,000	4.5
TOTAL	\$3,747,000	100%

Repayment

Staff recommends the Board commit 25.5% of the project cost, up to \$956,000, and that the project be purchased at 1% interest over 15 years, with annual payments of approximately \$69,000.

BOARD OF WATER RESOURCES
Secondary Meter Report



Applicant: **Lehi City**

Project Number: RM074
Fund: ARPA Grant
Cost Estimate: \$8,891,000

Application Received: 7/5/2022
Board Meeting Date: 10/5/2023

Board Member: Michael Davis
Project Manager: Tom Cox

Project Summary: The purpose of the project is to purchase and install approximately 3,550 additional secondary meters.

Recommendation: Staff recommends the Board authorize and commit 70% of the project cost, up to \$6,223,500, as a secondary meter grant.

Project Contacts:

Mayor:
Mark Johnson
153 North 100 East
Lehi, UT 84043
801-768-7100

Meter Supervisor:
Justin Monson
2538 North 300 West
Lehi, UT 84043
385-250-5753

Engineer:
Lehi City Staff
2538 North 300 West
Lehi, UT 84043
385-201-1700



Location

The proposed project is located in Lehi City in Utah County.

Project Summary

Utah is one of the driest states in the nation, one of the fastest-growing, and drinking water sources are limited. In addition, potential climate change impacts and the current multi-year drought in Utah threaten water supplies and put public drinking water supplies at risk. Municipalities and water companies need to reduce their water use to stretch their existing drinking water supplies. Many Utah communities also have “secondary” water, typically used to irrigate lawns and gardens. Secondary water is not treated to culinary standards and is utilized throughout the state to protect the drinking water supplies. However, many users waste this precious resource because they do not realize how much they are using. The State of Utah believes that it is critical to invest in water conservation, water metering, and dual water pipe and secondary water distribution systems to protect potable drinking water supplies. This will also help lower the cost of treating drinking water and make it more cost-effective by decreasing the amount of water that needs to be treated to potable standards.

Technology has improved over the last decade and allows for the metering of untreated secondary water. Individual water use cannot be measured without metering, so water suppliers have begun installing meters on their secondary water connections. By educating their customers on their measured use compared to the amount they should be using, suppliers have seen as much as a 20-30% reduction in use. Secondary metering, combined with conservation and education, protects the drinking water supplies and allows drinking water providers to plan for their future growth.

The Applicant is requesting funding to purchase and install approximately 3,550 additional secondary meters. This funding will not be enough to complete all unmetered connections. The Board previously committed \$10 million in grant funds and \$3.643 million in loan funds to purchase and install approximately 5,700 secondary meters, and the Applicant has already installed about 2,200 of those meters.

The Applicant has approximately 17,935 secondary connections. About 5,200 connections are now metered. The average lot size is 0.32 acre, with about 0.17 acre irrigated. The Applicant expects to conserve about 850 acre-feet of water upon completion of this project.

Construction is ongoing and is expected to be completed by December 2026. Engineering services are being provided by Lehi City staff.



Cost Estimate & Sharing

The estimated cost of this project is \$8,891,000, which has been calculated based on the available grant amount. The recommended cost sharing is as follows:

Agency	Cost Sharing	% of Total
Board of Water Resources - Grant	\$6,223,500	70%
Applicant	2,667,500	30
TOTAL	\$8,891,000	100%

Staff recommends the Board authorize and commit 70% of the project cost, up to \$6,223,500, as a secondary meter grant.

Additional loan funding will be addressed in an upcoming Board meeting.

Applicant's Responsibilities

If the Board provides grant funds for the project the Applicant must:

- Agree to provide an educational component to each end user, either in a monthly water use statement or a customer specific internet portal which:
 - Promotes water conservation
 - Provides information on the customer's secondary water usage

BOARD OF WATER RESOURCES
Secondary Meter Report



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

Project Number: RM115
Fund: ARPA Grant
Conservation and Development Fund
Cost Estimate: \$7,328,000

Application Received: 11/28/2022
Board Meeting Date: 10/5/2023

Board Member: Kyle Stephens
Project Manager: Tom Cox

Project Summary: The purpose of the project is to purchase and install approximately 2,052 additional secondary meters.

Recommendations: Staff recommends the Board authorize and commit 70% of the project cost, up to \$5,129,000, as a secondary meter grant.

Staff also recommends the Board authorize 25.5% of the project cost, up to \$1,869,000, and that the project be purchased at 1% interest over 15 years with annual payments of approximately \$134,800.

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:
Nathan Smith
JUB Engineers
466 N. 900 W.
Kaysville, UT 84037
801-547-0393



Location

The proposed project is located in Clinton, Kaysville and West Point in Davis County.

Project Summary

Utah is one of the driest states in the nation, one of the fastest-growing, and drinking water sources are limited. In addition, potential climate change impacts and the current multi-year drought in Utah threaten water supplies and put public drinking water supplies at risk. Municipalities and water companies need to reduce their water use to stretch their existing drinking water supplies. Many Utah communities also have “secondary” water, typically used to irrigate lawns and gardens. Secondary water is not treated to culinary standards and is utilized throughout the state to protect the drinking water supplies. However, many users waste this precious resource because they do not realize how much they are using. The State of Utah believes that it is critical to invest in water conservation, water metering, and dual water pipe and secondary water distribution systems to protect potable drinking water supplies. This will also help lower the cost of treating drinking water and make it more cost-effective by decreasing the amount of water that needs to be treated to potable standards.

Technology has improved over the last decade and allows for the metering of untreated secondary water. Individual water use cannot be measured without metering, so water suppliers have begun installing meters on their secondary water connections. By educating their customers on their measured use compared to the amount they should be using, suppliers have seen as much as a 20-30% reduction in use. Secondary metering, combined with conservation and education, protects the drinking water supplies and allows drinking water providers to plan for their future growth.

The Applicant is requesting funding to purchase and install approximately 2,052 additional secondary meters. This funding will not be enough to complete all unmetered connections. The Board previously committed \$10 million in grant funds and \$3.643 million in loan funds to purchase and install approximately 5,260 secondary meters, and the Applicant has already installed about 1,200 of those meters.

The Applicant has approximately 17,000 secondary connections, which is an increase of about 100 connections since the last funding request. About 5,100 connections are now metered. The average lot size is 0.3 acre, with about 0.2 acre irrigated. The Applicant expects to conserve about 430 acre-feet of water upon completion of the project.

Construction is ongoing and is expected to be completed by December 2026. Engineering services are being provided by JUB Engineers.



Cost Estimate & Sharing

The estimated cost of the project is \$7,328,000, which has been calculated based on the available grant amount. The recommended cost sharing is as follows:

Agency	Cost Sharing	% of Total
Board of Water Resources - Grant	\$5,129,000	70.0%
Board of Water Resources - Loan	1,869,000	25.5
Applicant	330,000	4.5
TOTAL	\$7,328,000	100%

Staff recommends the Board authorize and commit 70% of the project cost, up to \$5,129,000, as a secondary meter grant.

Staff also recommends the Board authorize 25.5% of the project cost, up to \$1,869,000, and that the project be purchased at 1% interest over 15 years with annual payments of approximately \$134,800.

Economic Feasibility

The Applicant is required by current state law to complete metering of their secondary system by January 1, 2030. As there is no alternative to metering, the benefit-cost ratio is assumed to be 1.0.

Water Rights & Supply

The Applicant holds dozens of water rights for Weber River diversions and wells to be used on over 40,000 acres. It also has storage rights of 28,000 acre-feet in East Canyon Reservoir and 29,000 acre-feet in Echo Reservoir. The Board holds title to 21 of the Applicant's major water rights from previous projects.

Easements

Meters will be placed in existing easements held by the Applicant. No additional easements will be required for the proposed project.

Environmental

Since meters will be installed on existing connections, no long-term environmental impacts are expected.

Applicant's Responsibilities

If the Board provides grant funds for the project the Applicant must:

- Submit or update a water conservation plan for its service area.
 - Obtain approval of it from the Division of Water Resources.
- Agree to provide an educational component to each end user, either in a monthly water use statement or a customer specific internet portal which:
 - Promotes water conservation
 - Provides information on the customer's secondary water usage



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

- Obtain all easements, rights-of-way, and permits required to construct, operate, and maintain the project.
- 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:
 - Assign water rights required for the project to the Board of Water Resources.
 - Enter into a contract with the Board of Water Resources for construction of the project and subsequent purchase from the Board.
- Have an attorney give the Board of Water Resources a written legal opinion that:
 - 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.
 - 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.
 - The company has obtained all permits required for the project.
 - The company owns all easements and rights-of-way for the project, as well as the land on which the project is located.
 - 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.
 - 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.
- Obtain approval of final plans and specifications from the Division of Water Resources.

BOARD OF WATER RESOURCES
Secondary Meter Report



Applicant: **Bountiful Irrigation District**

Project Number: RM116
Fund: ARPA Grant
Cost Estimate: \$10,556,000

Application Received: 12/19/2022
Board Meeting Date: 10/5/2023

Board Member: Kyle Stephens
Project Manager: Tom Cox

Project Summary: The purpose of the project is to purchase and install approximately 3,970 additional secondary meters.

Recommendation: Staff recommends the Board authorize and commit 70% of the project cost, up to \$7,389,000, as a secondary meter grant.

Project Contacts:

President:
Kirk Gough
995 South 500 West
Bountiful, UT 84010
801-295-5573

Managing Supervisor:
Kurtis Anderson
995 South 500 West
Bountiful, UT 84010
801-390-1860

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



Location

The proposed project is located in Bountiful, Centerville, West Bountiful and Woods Cross in Davis County.

Project Summary

Utah is one of the driest states in the nation, one of the fastest-growing, and drinking water sources are limited. In addition, potential climate change impacts and the current multi-year drought in Utah threaten water supplies and put public drinking water supplies at risk. Municipalities and water companies need to reduce their water use to stretch their existing drinking water supplies. Many Utah communities also have “secondary” water, typically used to irrigate lawns and gardens. Secondary water is not treated to culinary standards and is utilized throughout the state to protect the drinking water supplies. However, many users waste this precious resource because they do not realize how much they are using. The State of Utah believes that it is critical to invest in water conservation, water metering, and dual water pipe and secondary water distribution systems to protect potable drinking water supplies. This will also help lower the cost of treating drinking water and make it more cost-effective by decreasing the amount of water that needs to be treated to potable standards.

Technology has improved over the last decade and allows for the metering of untreated secondary water. Individual water use cannot be measured without metering, so water suppliers have begun installing meters on their secondary water connections. By educating their customers on their measured use compared to the amount they should be using, suppliers have seen as much as a 20-30% reduction in use. Secondary metering, combined with conservation and education, protects the drinking water supplies and allows drinking water providers to plan for their future growth.

The Applicant is requesting funding to purchase and install approximately 3,970 secondary meters. This funding will not be enough to complete all unmetered connections. The Board previously committed \$10 million in grant and \$3.643 million in loan funds to purchase and install approximately 6,400 secondary meters, and the Applicant has already installed about 1,100 of those meters.

The Applicant has approximately 9,800 secondary connections. About 1,200 connections are now metered. The average lot size is 0.41 acre, with about 0.21 acre irrigated. The Applicant expects to conserve about 1,470 acre-feet of water upon completion of the project.

Construction is ongoing and is expected to be completed by December 2026. Engineering services are being provided by JUB Engineers.



Cost Estimate & Sharing

The estimated cost of the project is \$10,556,000, which has been calculated based on the grant amount available. The recommended cost sharing is as follows:

Agency	Cost Sharing	% of Total
Board of Water Resources - Grant	\$7,389,000	70%
Applicant	3,167,000	30
TOTAL	\$10,556,000	100%

Staff recommends the Board authorize and commit 70% of the project cost, up to \$7,389,000, as a secondary meter grant.

Additional loan funding will be addressed in an upcoming Board meeting.

Applicant's Responsibilities

If the Board provides grant funds for the project the Applicant must:

- Agree to provide an educational component to each end user, either in a monthly water use statement or a customer specific internet portal which:
 - Promotes water conservation
 - Provides information on the customer's secondary water usage

BOARD OF WATER RESOURCES
Secondary Meter Report



Applicant: **Roy Water Conservancy District**

Project Number: RM112
Fund: ARPA Grant
Conservation and Development Fund
Cost Estimate: \$7,210,000

Application Received: 11/28/2022
Board Meeting Date: 10/5/2023

Board Member: Kyle Stephens
Project Manager: Russell Hadley

Project Summary: The purpose of the project is to purchase and install approximately 2,020 additional secondary meters.

Recommendations: Staff recommends the Board authorize and commit 70% of the project cost, up to \$5,046,500, as a secondary meter grant.

Staff also recommends the Board authorize and commit 25.5% of the project cost, up to \$1,839,000, as a loan, and that the bonded indebtedness be returned at 1% interest over 15 years with annual payments of approximately \$143,000 (including reserves).

Project Contacts:

Chairman:
Mark Ohlin
4489 South 1650 West
Roy, UT 84067
801-540-3219

Manager:
Rodney Banks
5440 Freeway Park Drive
Riverdale, UT 84405
801-825-9744

Engineer:
Brad Jensen
Wasatch Civil Consulting Eng.
1150 Depot Drive, Suite 225
Ogden, UT 84404
801-775-9191



Location

The proposed project is located in the city of Roy in Weber County.

Project Summary

Utah is one of the driest states in the nation, one of the fastest-growing, and drinking water sources are limited. In addition, potential climate change impacts and the current multi-year drought in Utah threaten water supplies and put public drinking water supplies at risk. Municipalities and water companies need to reduce their water use to stretch their existing drinking water supplies. Many Utah communities also have “secondary” water, typically used to irrigate lawns and gardens. Secondary water is not treated to culinary standards and is utilized throughout the state to protect the drinking water supplies. However, many users waste this precious resource because they do not realize how much they are using. The State of Utah believes that it is critical to invest in water conservation, water metering, and dual water pipe and secondary water distribution systems to protect potable drinking water supplies. This will also help lower the cost of treating drinking water and make it more cost-effective by decreasing the amount of water that needs to be treated to potable standards.

Technology has improved over the last decade and allows for the metering of untreated secondary water. Individual water use cannot be measured without metering, so water suppliers have begun installing meters on their secondary water connections. By educating their customers on their measured use compared to the amount they should be using, suppliers have seen as much as a 20-30% reduction in use. Secondary metering, combined with conservation and education, protects the drinking water supplies and allows drinking water providers to plan for their future growth.

The Applicant is requesting funding to purchase and install approximately 2,020 additional secondary meters. This funding will not be enough to complete all unmetered connections. The Board previously committed \$10 million in grant and \$3.643 million in loan funds to purchase and install approximately 6,000 secondary meters, and the Applicant has already installed about 1,100 of those meters.

The Applicant has 10,900 secondary connections, which is an increase of about 160 connections since the last funding request. Approximately 2,000 connections are now metered. The average lot size is 0.34 acre, with about 0.28 acre irrigated. The Applicant expects to conserve about 400 acre-feet of water upon completion of the project.

Construction is ongoing and is expected to be completed by December 2026. Engineering services are being provided by Wasatch Civil Consulting Engineering.



Cost Estimate & Sharing

The estimated cost of the project is \$7,210,000. The recommended cost sharing is as follows:

Agency	Cost Sharing	% of Total
Board of Water Resources - Grant	\$5,046,500	70.0%
Board of Water Resources - Loan	1,839,000	25.5
Applicant	324,500	4.5
TOTAL	\$7,210,000	100%

Staff recommends the Board authorize and commit 70% of the project cost, up to \$5,046,500, as a secondary meter grant.

Staff also recommends the Board authorize and commit 25.5% of the project cost, up to \$1,839,000, as a loan, and that the bonded indebtedness be returned at 1% interest over 15 years with annual payments of approximately \$143,000 (including reserves).

Economic Feasibility

The Applicant is required by current state law to complete metering of their secondary system by January 1, 2030. As there is no alternative to metering, the benefit-cost ratio is assumed to be 1.0.

Water Rights & Supply

The Applicant's water supply is represented by 1,515 shares of Davis and Weber Counties Canal Company stock. Each share is equal to about 6 acre-feet.

Easements

Meters will be placed in existing easements held by the Applicant. No additional easements will be required for the proposed project.

Environmental

Since meters will be installed on existing connections, no long-term environmental impacts are expected.

Applicant's Responsibilities

If the Board provides grant funds for the project the Applicant must:

- Submit or update a water conservation plan for its service area.
 - Obtain approval of it from the Division of Water Resources.
- Agree to provide an educational component to each end user, either in a monthly water use statement or a customer specific internet portal which:
 - Promotes water conservation
 - Provides information on the customer's secondary water usage

The Applicant will be required to make all arrangements to sell the Board a non-voted revenue bond, as well as verify it has adequate water rights and rights-of-way to construct the project. If the project is authorized, a full list of requirements and procedures necessary to close the bond will be furnished to the Applicant.

BOARD OF WATER RESOURCES
Secondary Meter Report



Applicant: **South Ogden Conservation District**

Project Number: RM113
Fund: ARPA Grant
Conservation and Development Fund
Cost Estimate: \$5,448,000

Application Received: 12/1/2022
Board Meeting Date: 10/5/2023

Board Member: Kyle Stephens
Project Manager: Russell Hadley

Project Summary: The purpose of the project is to purchase and install approximately 2,170 additional secondary meters.

Recommendations: Staff recommends the Board authorize and commit 70% of the project cost, up to \$3,814,000, as a secondary meter grant.

Staff also recommends the Board authorize and commit 25.5% of the project cost, up to \$1,389,000, as a loan, and that the bonded indebtedness be returned at 1% interest over 15 years with annual payments of approximately \$108,000 (including reserves).

Project Contacts:

General Manager:
Benjamin Quick
471 West 2nd Street
Ogden, UT 84404
801-622-4349

Secretary:
Tamera Martinson
471 West 2nd Street
Ogden, UT 84404
801-622-4348

Engineer:
Greg Seegmiller
JUB Engineering
466 North 900 West
Kaysville, UT 84037
801-547-0393



Location

The proposed project is located in Ogden, South Ogden, Riverdale, and Washington Terrace in Weber County.

Project Summary

Utah is one of the driest states in the nation, one of the fastest-growing, and drinking water sources are limited. In addition, potential climate change impacts and the current multi-year drought in Utah threaten water supplies and put public drinking water supplies at risk. Municipalities and water companies need to reduce their water use to stretch their existing drinking water supplies. Many Utah communities also have “secondary” water, typically used to irrigate lawns and gardens. Secondary water is not treated to culinary standards and is utilized throughout the state to protect the drinking water supplies. However, many users waste this precious resource because they do not realize how much they are using. The State of Utah believes that it is critical to invest in water conservation, water metering, and dual water pipe and secondary water distribution systems to protect potable drinking water supplies. This will also help lower the cost of treating drinking water and make it more cost-effective by decreasing the amount of water that needs to be treated to potable standards.

Technology has improved over the last decade and allows for the metering of untreated secondary water. Individual water use cannot be measured without metering, so water suppliers have begun installing meters on their secondary water connections. By educating their customers on their measured use compared to the amount they should be using, suppliers have seen as much as a 20-30% reduction in use. Secondary metering, combined with conservation and education, protects the drinking water supplies and allows drinking water providers to plan for their future growth.

The Applicant is requesting funding to purchase and install approximately 2,170 additional secondary meters. This funding will not be enough to complete all unmetered connections. The Board previously committed \$10 million in grant and \$3.643 million in loan funds to purchase and install approximately 3,425 meters, and the Applicant has already installed about 1,100 of those meters.

The Applicant has about 10,440 secondary connections, which is an increase of approximately 500 connections since the last funding request. About 1,100 of the connections are now metered. The average lot size is 0.2 acre, with about 0.13 acre irrigated. The Applicant expects to conserve about 368 acre-feet of water upon completion of the project.

Construction is ongoing and is expected to be completed by December 2026. Engineering services are being provided by JUB Engineering.



Cost Estimate & Sharing

The estimated cost of the project is \$5,448,000. The recommended cost sharing is as follows:

Agency	Cost Sharing	% of Total
Board of Water Resources - Grant	\$3,814,000	70.0%
Board of Water Resources - Loan	1,389,000	25.5
Applicant	245,000	4.5
TOTAL	\$5,448,000	100%

Staff recommends the Board authorize and commit 70% of the project cost, up to \$3,814,000, as a secondary meter grant.

Staff also recommends the Board authorize and commit 25.5% of the project cost, up to \$1,389,000, as a loan, and that the bonded indebtedness be returned at 1% interest over 15 years with annual payments of approximately \$108,000 (including reserves).

Economic Feasibility

The Applicant is required by current state law to complete metering of their secondary system by January 1, 2030. As there is no alternative to metering, the benefit-cost ratio is assumed to be 1.0.

Water Rights & Supply

The following list of water rights was provided with the application for financial assistance and is provided here for reference: 35-7397, 35-825, 35-829, 35-830.

Easements

Meters will be placed in existing easements held by the Applicant. No additional easements will be required for the proposed project.

Environmental

Since meters will be installed on existing connections, no long-term environmental impacts are expected.

Applicant's Responsibilities

If the Board provides grant funds for the project the Applicant must:

- Submit or update a water conservation plan for its service area.
 - Obtain approval of it from the Division of Water Resources.
- Agree to provide an educational component to each end user, either in a monthly water use statement or a customer specific internet portal which:
 - Promotes water conservation
 - Provides information on the customer's secondary water usage

The Applicant will be required to make all arrangements to sell the Board a non-voted revenue bond, as well as verify it has adequate water rights and rights-of-way to construct the project. If the project is authorized, a full list of requirements and procedures necessary to close the bond will be furnished to the Applicant.

BOARD OF WATER RESOURCES
Secondary Meter Report



Applicant: **Weber-Box Elder Conservation District**

Project Number: RM114
Fund: ARPA Grant
Conservation and Development Fund
Cost Estimate: \$6,776,000

Application Received: 12/1/2022
Board Meeting Date: 10/5/2023

Board Member: Kyle Stephens
Project Manager: Russell Hadley

Project Summary: The purpose of the project is to purchase and install approximately 2,260 additional secondary meters.

Recommendations: Staff recommends the Board authorize and commit 70% of the project cost, up to \$4,743,000, as a secondary meter grant.

Staff also recommends the Board authorize and commit 25.5% of the project cost, up to \$1,728,000, as a loan, and that the bonded indebtedness be returned at 1% interest over 15 years with annual payments of approximately \$134,000 (including reserves).

Project Contacts:

General Manager:
Benjamin Quick
471 West 2nd Street
Ogden, UT 84404
801-622-4349

Secretary:
Tamera Martinson
471 West 2nd Street
Ogden, UT 84404
435-622-4348

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



Location

The proposed project is located in Ogden City, North Ogden City, Pleasant View City, Harrisville City, Farr West City, and Plain City in Weber County.

Project Summary

Utah is one of the driest states in the nation, one of the fastest-growing, and drinking water sources are limited. In addition, potential climate change impacts and the current multi-year drought in Utah threaten water supplies and put public drinking water supplies at risk. Municipalities and water companies need to reduce their water use to stretch their existing drinking water supplies. Many Utah communities also have “secondary” water, typically used to irrigate lawns and gardens. Secondary water is not treated to culinary standards and is utilized throughout the state to protect the drinking water supplies. However, many users waste this precious resource because they do not realize how much they are using. The State of Utah believes that it is critical to invest in water conservation, water metering, and dual water pipe and secondary water distribution systems to protect potable drinking water supplies. This will also help lower the cost of treating drinking water and make it more cost-effective by decreasing the amount of water that needs to be treated to potable standards.

Technology has improved over the last decade and allows for the metering of untreated secondary water. Individual water use cannot be measured without metering, so water suppliers have begun installing meters on their secondary water connections. By educating their customers on their measured use compared to the amount they should be using, suppliers have seen as much as a 20-30% reduction in use. Secondary metering, combined with conservation and education, protects the drinking water supplies and allows drinking water providers to plan for their future growth.

The Applicant is requesting funding to purchase and install approximately 2,260 additional secondary meters. This funding will not be enough to complete all unmetered connections. The Board previously committed \$10 million in grant and \$3.643 million in loan funds to purchase and install approximately 3,320 secondary meters, and the Applicant has already installed about 220 of those meters.

The Applicant has approximately 18,000 secondary connections. About 1,620 connections are now metered. The average lot size is 0.43 acre, with about 0.29 acre irrigated. The Applicant expects to conserve about 700 acre-feet of water upon completion of the project.

Construction is ongoing and is expected to be completed by December 2026. Engineering services are being provided by JUB Engineers.



Cost Estimate & Sharing

The estimated cost of the project is \$6,776,000. The recommended cost sharing is as follows:

Agency	Cost Sharing	% of Total
Board of Water Resources - Grant	\$4,743,000	70.0%
Board of Water Resources - Loan	1,728,000	25.5
Applicant	305,000	4.5
TOTAL	\$6,776,000	100%

Staff recommends the Board authorize and commit 70% of the project cost, up to \$4,743,000, as a secondary meter grant.

Staff also recommends the Board authorize and commit 25.5% of the project cost, up to \$1,728,000, as a loan, and that the bonded indebtedness be returned at 1% interest over 15 years with annual payments of approximately \$134,000 (including reserves).

Economic Feasibility

The Applicant is required by current state law to complete metering of their secondary system by January 1, 2030. As there is no alternative to metering, the benefit-cost ratio is assumed to be 1.0.

Water Rights & Supply

The following list of water rights was provided with the application for financial assistance and is provided here for reference: 35-7397, 35-5756, 35-7022, 35-7032, 35-7026, 35-8042, 35-10938, 35-7023, and 35-7028.

Easements

Meters will be placed in existing easements held by the Applicant. No additional easements will be required for the proposed project.

Environmental

Since meters will be installed on existing connections, no long-term environmental impacts are expected.

Applicant's Responsibilities

If the Board provides grant funds for the project the Applicant must:

- Submit or update a water conservation plan for its service area.
 - Obtain approval of it from the Division of Water Resources.
- Agree to provide an educational component to each end user, either in a monthly water use statement or a customer specific internet portal which:
 - Promotes water conservation
 - Provides information on the customer's secondary water usage

The Applicant will be required to make all arrangements to sell the Board a non-voted revenue bond, as well as verify it has adequate water rights and rights-of-way to construct the project. If the project is authorized, a full list of requirements and procedures necessary to close the bond will be furnished to the Applicant.

BOARD OF WATER RESOURCES
Secondary Meter Report



Applicant: **Syracuse City**

Project Number: RM110
Fund: ARPA Grant
Conservation and Development Fund
Cost Estimate: \$16,400,000

Application Received: 11/28/2022
Board Meeting Date: 10/5/2023

Board Member: Kyle Stephens
Project Manager: Ann Baynard

Project Summary: The purpose of the project is to provide additional funding to purchase and install 8,879 secondary meters already in progress.

Recommendations: Staff recommends the Board authorize and commit 9% of the project cost, up to \$1,479,000, as a secondary meter grant.

Staff also recommends the Board authorize 25.5% of the project cost, up to \$4,182,000, as a loan, and that the bonded indebtedness be returned at 1% interest over 15 years with annual payments of approximately \$324,000 (including reserves).

Project Contacts:

Mayor:
Dave Maughan
1979 West 1900 South
Syracuse, UT 84075
801-614-9636

Public Works Director:
Robert Whitely
3061 South 2400 West
Syracuse, UT 84075
801-825-7235

Engineer:
Brian Bloeman
Syracuse City Engineer
1979 West 1900 South
Syracuse, UT 84075
801-825-1477



Location

The proposed project is located in Syracuse City in Davis County.

Project Summary

Utah is one of the driest states in the nation, one of the fastest-growing, and drinking water sources are limited. In addition, potential climate change impacts and the current multi-year drought in Utah threaten water supplies and put public drinking water supplies at risk. Municipalities and water companies need to reduce their water use to stretch their existing drinking water supplies. Many Utah communities also have “secondary” water, typically used to irrigate lawns and gardens. Secondary water is not treated to culinary standards and is utilized throughout the state to protect the drinking water supplies. However, many users waste this precious resource because they do not realize how much they are using. The State of Utah believes that it is critical to invest in water conservation, water metering, and dual water pipe and secondary water distribution systems to protect potable drinking water supplies. This will also help lower the cost of treating drinking water and make it more cost-effective by decreasing the amount of water that needs to be treated to potable standards.

Technology has improved over the last decade and allows for the metering of untreated secondary water. Individual water use cannot be measured without metering, so water suppliers have begun installing meters on their secondary water connections. By educating their customers on their measured use compared to the amount they should be using, suppliers have seen as much as a 20-30% reduction in use. Secondary metering, combined with conservation and education, protects the drinking water supplies and allows drinking water providers to plan for their future growth.

In the August 4, 2022 board meeting, the Board of Water Resources committed 61% of the project cost as a secondary meter grant (RM029). While the maximum grant amount was \$10 million, that amount did not provide 70% of the costs of the Applicant’s meter project. During the third application period entities were allowed to apply for additional funding from a separate allocation of ARPA funds. The overall project includes the purchase and installation of about 8,879 secondary meters. The Applicant is requesting additional ARPA grant funds to increase the Board’s overall cost share to 70%. The Applicant is also requesting loan funds to assist with project costs.

The Applicant has 9,300 secondary connections of which about 658 connections are already metered. This is an increase of 238 metered connections since the first funding request. The average lot size is 0.25 acre, with about 0.20 acre irrigated.

Construction is ongoing and is expected to be completed by December 2026. Engineering services are being provided by Syracuse City.



Cost Estimate & Sharing

The estimated cost of the project is \$16,400,000. The recommended cost sharing is as follows:

Agency	Cost Sharing	% of Total
Board of Water Resources – Grant	\$1,479,000	9.0%
Board of Water Resources – Grant (RM029)	10,000,000	61.0
Board of Water Resources - Loan	4,182,000	25.5
Applicant	739,000	4.5
TOTAL	\$16,400,000	100%

Staff recommends the Board authorize and commit 9% of the project cost, up to \$1,479,000, as a secondary meter grant.

Staff also recommends the Board authorize 25.5% of the project cost, up to \$4,182,000, as a loan, and that the bonded indebtedness be returned at 1% interest over 15 years with annual payments of approximately \$324,000 (including reserves).

Economic Feasibility

The Applicant is required by current state law to complete metering of their secondary system by January 1, 2030. As there is no alternative to metering, the benefit-cost ratio is assumed to be 1.0.

Water Rights & Supply

The Applicant's water right #31-5207 is associated with the project. The Applicant also holds shares in the Davis and Weber Counties Canal Company, Weber Basin Water Conservancy District (WBWCD) and Hooper Irrigation. Additionally, the Applicant has a water contract with WBWCD.

Easements

Meters will be placed in existing easements held by the Applicant. No additional easements will be required for the proposed project.

Environmental

Since meters will be installed on existing connections, no long-term environmental impacts are expected.



Applicant's Responsibilities

If the Board provides grant funds for the project the Applicant must:

- Submit or update a water conservation plan for its service area.
 - Obtain approval of it from the Division of Water Resources.
- Agree to provide an educational component to each end user, either in a monthly water use statement or a customer specific internet portal which:
 - Promotes water conservation
 - Provides information on the customer's secondary water usage

The Applicant will be required to make all arrangements to sell the Board a non-voted revenue bond, as well as verify it has adequate water rights and rights-of-way to construct the project. If the project is authorized, a full list of requirements and procedures necessary to close the bond will be furnished to the Applicant.

BOARD OF WATER RESOURCES
Secondary Meter Report



Applicant: **Weber Basin Water Conservancy District**

Project Number: RM111
Fund: ARPA Grant
Cost Estimate: \$10,396,000

Application Received: 12/13/2022
Board Meeting Date: 10/5/2023

Board Member: Kyle Stephens
Project Manager: Ann Baynard

Project Summary: The purpose of the project is to purchase and install approximately 2,324 additional secondary water meters.

Recommendation: Staff recommends the Board authorize and commit 70% of the project cost, up to \$7,277,000, as a secondary meter grant.

Project Contacts:

General Manager:
Scott Paxman, P.E.
2837 E. Highway 193
Layton, UT 84040
801-771-1677

Assistant General Manager/Engineer:
Jon Parry, P.E.
2837 E. Highway 193
Layton, UT 84040
801-771-1677



Location

The proposed project is located in Layton, West Bountiful, Woods Cross, Washington Terrace, and South Ogden in Davis County.

Project Summary

Utah is one of the driest states in the nation, one of the fastest-growing, and drinking water sources are limited. In addition, potential climate change impacts and the current multi-year drought in Utah threaten water supplies and put public drinking water supplies at risk. Municipalities and water companies need to reduce their water use to stretch their existing drinking water supplies. Many Utah communities also have “secondary” water, typically used to irrigate lawns and gardens. Secondary water is not treated to culinary standards and is utilized throughout the state to protect the drinking water supplies. However, many users waste this precious resource because they do not realize how much they are using. The State of Utah believes that it is critical to invest in water conservation, water metering, and dual water pipe and secondary water distribution systems to protect potable drinking water supplies. This will also help lower the cost of treating drinking water and make it more cost-effective by decreasing the amount of water that needs to be treated to potable standards.

Technology has improved over the last decade and allows for the metering of untreated secondary water. Individual water use cannot be measured without metering, so water suppliers have begun installing meters on their secondary water connections. By educating their customers on their measured use compared to the amount they should be using, suppliers have seen as much as a 20-30% reduction in use. Secondary metering, combined with conservation and education, protects the drinking water supplies and allows drinking water providers to plan for their future growth.

The Applicant is requesting funding to purchase and install approximately 2,324 secondary water meters. This funding will not be enough to complete all unmetered connections. The Board previously committed \$10 million in grant funds to purchase and install approximately 6,900 secondary meters, and the Applicant has already installed about 1,800 of those meters.

The Applicant has about 23,530 secondary connections. Approximately 14,600 connections are now metered. The average lot size is 0.5 acre, with about 0.31 acre irrigated. The Applicant expects to conserve about 1,230 acre-feet of water upon completion of the project.

Construction is expected to begin fall 2024 and be completed by December 2026. Engineering services are being provided by Weber Basin Water Conservancy District engineers.

Cost Estimate & Sharing

The estimated cost of the project is \$10,396,000. The recommended cost sharing is as follows:

Agency	Cost Sharing	% of Total
Board of Water Resources – Grant	\$7,277,000	70%
Applicant	3,119,000	30
TOTAL	\$10,396,000	100%

Staff recommends the Board authorize and commit 70% of the project cost, up to \$7,277,000, as a secondary meter grant.



Applicant's Responsibilities

If the Board provides grant funds for the project the Applicant must:

- Submit or update a water conservation plan for its service area.
 - Obtain approval of it from the Division of Water Resources.
- Agree to provide an educational component to each end user, either in a monthly water use statement or a customer specific internet portal which:
 - Promotes water conservation
 - Provides information on the customer's secondary water usage

BOARD OF WATER RESOURCES
Dam Safety Report



Applicant: **Hurricane City**

Project Number: RC066
Fund: Revolving Construction Fund - Dam Safety Grant
Total Cost: \$8,200,000

Application Received: 5/27/2021
Board Meeting Date: 10/5/2023

Board Member: Spencer Jones
Project Manager: Ben Marett

Project Summary: The purpose of the project is to upgrade the dam to meet minimum state dam safety standards. This includes upgrading the embankment, auxiliary spillway, and primary outlet pipe.

Recommendation: Staff recommends the Board commit 28% of the project cost, up to \$2,296,000, as a Dam Safety grant.

Project Contacts:

Mayor:
Nanette Billings
147 N. 870 W.
Hurricane, UT 84737
435-635-2811

City Engineer:
Arthur LeBaron, PE, PLS
147 N. 870 W.
Hurricane, UT 84737
435-635-2811, ext. 113

Engineer:
Cody Moultrie, PE
Bowen Collins & Associates
20 N Main, Ste. 107
St. George, UT 84770

Location

The proposed project is located approximately four miles southeast of Hurricane City in Washington County.

Project Summary

The Frog Hollow Debris Basin was constructed in 1955 by the Natural Resource Conservation Service (NRCS). The dam was designed to reduce flood damage to canal systems and agricultural areas downstream of the Warner Draw Watershed. It is 27 feet tall, has a length of 1,982 feet, and is capable of impounding 1,407 acre-feet of water.

The dam was raised to its current elevation (4,228 feet) and length in 1978. In 1980, sinkholes and cracking started to appear in the embankment. A rehabilitation project in 1983 attempted to address these deficiencies, but the dam continues to present with cracking and sinkholes.

A geotechnical report completed as part of the Plan Environmental Assessment concluded that the cracking and sinkholes are caused, in part, by soluble soils used in the 1978 project. An additional report performed by Gerhart Cole analyzing bore holes and test pits supported this conclusion. Bowen Collins & Associates performed a hydrologic and hydraulic analysis as part of a design report. It concluded that the auxiliary spillway could not pass the design storm without overtopping the dam.

The primary outlet for the dam consists of a 24-inch reinforced concrete pipe. A video inspection of this pipe determined that it was in good condition. However, the pipe is over 40 years old and will exceed its design life before those improvements are constructed as part of the proposed project. Additionally, excavation of the embankment material near the pipeline presents a risk of cracking the pipe.

Rehabilitation of the dam will include:

- Removing and replacing problematic soils
- Capping the top of the embankment
- Armoring the upstream face with cobbles
- Installing a two-stage sand/gravel filter
- Lowering the crest elevation and sloping the exit channel to increase the capacity of the auxiliary spillway
- Removing and replacing the primary outlet pipe with a 30-inch HDPE pipe encased in concrete

Project construction is expected to begin in fall 2023 and is expected to be completed by fall 2024.



Cost Estimate & Sharing

The estimated cost of the project is \$8,200,000. The recommended cost sharing is as follows:

Agency	Proposed Cost Sharing	% of Total
Board of Water Resources Dam Safety Grant	\$2,296,000	28%
Natural Resource Conservation Service Grant	5,330,000	65
Applicant	574,000	7
TOTAL	\$8,200,000	100%

Staff recommends the Board commit 28% of the project cost, up to \$2,296,000, as a Dam Safety grant.

BOARD OF WATER RESOURCES
Statutory Water Bank Report



Name of Water Bank: **First Water Bank of Utah**
Co-Applicants: **Vernal City**
Ashley Valley Water & Sewer Improvement District
Application Number: RW002
Date Received: 8/15/2023
Date Complete: 8/17/2023
Date Noticed: 8/22/2023, 8/29/2023
Board Public Hearing: 9/5/2023
Board Meeting Date: 10/5/2023

Board Member: Randy Crozier
Project Manager: Shalaine DeBernardi

Project Summary: Establish a statutory water bank founded by Vernal City, Ashley Valley Water & Sewer Improvement District, and WETx to facilitate water transactions in and around Vernal.

Recommendation: Staff recommends the board approve the First Water Bank of Utah Statutory Water Bank, and the initial members of the bank's governing body.

Project Contacts:

Vernal City:	Ashley Valley WSID:	WETx:	Attorney:
City Manager	General Manager	Representative	Gordon Law Group
Quinn Bennion	Ryan Goodrich	Tyler Dow	Dan Matthews
374 E Main St	PO Box 967	26 S Rio Grande St, Ste 2072	322 E Gateway Dr, Ste 201
Vernal, UT 84078	Vernal, UT 84078	Salt Lake City, UT 84101	Heber City, UT 84032
435-781-7110	435-823-1599	435-574-0941	435-671-5894



Purpose

The proposed First Water Bank of Utah (FWBU) is a statutory water bank governed by the Utah Water Banking Act (“Act”), Utah Code Title 73 Chapter 31 Part 2. The applicants submitted an application requesting the bank be approved as a statutory water bank and be extended the benefits of the Act. The primary purpose of FWBU is to establish a transparent and reliable entity that will utilize an innovative electronic platform to facilitate water right transactions.

The applicants attest that they have completed all statutory requirements and qualify to have the application approved. As the final step in establishing a statutory water bank, the applicant requests the Board find the application complete and approve the application.

Location

The proposed FWBU intends to operate in Uintah County from fall 2023 through the end of 2030, or longer if the Act is extended. The water bank service area includes Alta Ditch, Ashley Central Canal, Ashley Upper Canal, the Highline Canal, Island Ditch and several other irrigation and canal companies. Water in the area generally comes from Ashley Creek, Steinaker Reservoir or Red Fleet Reservoir.

Parties to the Statutory Water Bank

Vernal City and Ashley Valley Water & Sewer Improvement District (AVWSID) are both founding members of FWBU. They are working with WETx, the entity providing the digital platform for facilitating water right transactions in the bank’s service area.

Water Banking Application Activities

The applicants submitted their application on August 15, 2023. The application was signed by the representative member of the Board of Water Resources on August 16, 2023, and deemed complete by division staff on August 17, 2023. The public hearing was scheduled for September 5, 2023, in Vernal, and noticed in an area newspaper and on Utah’s public meeting website for two weeks as required by Utah Code. That hearing began a 30-day public comment period which ends October 5, 2023.

Water Rights

To qualify for a statutory water bank, an applicant must be a record holder of a perfected water right or a valid diligence claim. That water right must also have a place of use and point of diversion encompassed within the proposed service area of the statutory water bank. Vernal City satisfies this requirement with Water Right Number 45-6540.

A statutory bank can accept deposits of surface water rights or groundwater rights, but not both. FWBU will accept deposits of surface rights. FWBU has been working with the Regional Engineer (Division of Water Rights), who has confirmed that not only are transfers of water rights possible in the bank’s service area, but many are already taking place.

Governing Body

FWBU has been established as a nonprofit corporation and will be governed by a Board of Directors. The five-member board will initially be made up of two representatives of each co-applicant and a representative of WETx. The representatives of Vernal City will be the City

Manager and Public Works Director. AVWSID representatives will be the General Manager and a Board member. The representative for WETx is one of the co-founders, who is an experienced water and real estate attorney.

General Operating Procedures

FWBU has provided draft by-laws for the bank's operation, and if approved, will adopt by-laws along with articles of incorporation. FWBU also provided an addendum to their application detailing the following:

- Governance – including the initial members of the Board of Directors, the procedures for funding administrative costs, a process for dissolution or termination of the bank, and a complaint resolution process.
- Procedures governing water transactions - including a process for facilitating water transactions between depositors and borrowers. If the water bank application is approved, the FWBU Board will adopt policies to ensure that no water will be transferred without approval by the State Engineer, and that all water deliveries will be monitored to ensure compliance with all State Engineer rules and regulations.
- Procedures for accepting, rejecting, and managing deposits – including a checklist of information needed to determine the feasibility of using a water right within the bank's service area, a process for depositors and FWBU to file a joint change application with the State Engineer, and a process for determining payments to depositors. If the water bank application is approved, the FWBU Board will adopt rules and regulations governing all deposits and leases.
- Procedures for accepting, rejecting, and managing delivery of water rights – including a borrower request form, deadlines for submitting delivery requests, delivery request fees, confirming requests meet change application conditions and irrigation company and FWBU policies, and notification through the bank's platform software. FWBU has also created procedures to appeal or file a grievance in the case of delivery request rejection.

FWBU will be a market-driven water bank when it comes to pricing. FWBU may suggest price ranges based upon consultation with depositors and irrigation companies, but the depositor will be allowed to set the price they want. It is believed that the market will eventually correct any outrageous price modulations.

As stated previously, it is anticipated that many of the initial bank transactions will replace contractual transactions already occurring in the bank's service area. But FWBU hopes to broaden the market and make unused area water available to more people and/or entities who could use it. FWBU will use their electronic platform to meet the statutory objectives of water banks, which include promoting the optimal use of the public's water, transparency and access to water markets, and temporary, flexible, and low-cost water transactions. The statutory objectives also include facilitating robust and sustainable agricultural production while meeting growing municipal and industrial water demands, and water rights administration and distribution.



The application, along with all supporting documentation, can be seen in its entirety at:
<https://water.utah.gov/water-marketing/>

Staff Recommendation

Based on all the information provided, staff recommends the board approve the First Water Bank of Utah Statutory Water Bank, and the initial members of the bank's governing body.



Rule: Acquisition and Disposal of Real Property Interests
Oct 5, 2023

Requirements of Section 79-2-403 (Utah Code)

In the August 10th Briefing Meeting, the Board of Water Resources (Board) requested that the Division of Water Resources (Division) write a rule for the acquisition and disposal of real property.

When the Division began that process, it discovered that under Utah Code Section 79-2-403, the Division is required to have rules in place establishing the procedures for determining the value of real property if the Division is engaged in the purchase, sale, or exchange of real property. To comply with that statute, the Division is proposing the Board enact the attached rule.

Among other things, the rule provides that the Division may establish the fair market value of real property from a broker price opinion, a market analysis, or an appraisal. It also identifies specific situations where these methods would not be required to establish the value. Finally, the rule provides that in cases where the Division considers factors other than the monetary value in acquiring or disposing of property, the Division shall document the factors considered and the rationale for the terms of the purchase or sale.

Proposed Rule Attached

The Attorney General's Office, along with Division staff, created a draft rule.

Staff recommends the Board adopt the rule as written.

Presented by Marisa Egbert, Project Funding Section Manager

R653. Natural Resources, Water Resources.

R653-13 Acquisition and Disposal of Real Property Interests

R653-13-1. Purpose and Authority.

(1) This rule is made pursuant to Section 79-2-403.

(2)(a) The division may acquire real property or an interest in real property through all legal means, as provided by law, in order to fulfill its mission and legislative mandates.

(b) If the division determines that any real property or interest in real property is no longer necessary for the purpose for which it was acquired, the division may lease, sell, exchange, or otherwise dispose of the real property or interest in real property.

(3) When acquiring or disposing of real property or an interest in real property, the division shall consider and weigh the various economic and social values associated with the subject property in an effort to maintain a level of congruency between the compensation for the subject property and its values.

R653-13-2. Definitions.

For purposes of this rule:

(1) "Appraisal" means an unbiased analysis, opinion, or conclusion, prepared by a state-certified general appraiser, that estimates the monetary market value of an identified parcel of real estate or identified real property interest at a particular point in time.

(2) "Broker price opinion" means an unbiased estimate of value of real property or an interest in real property prepared by a state-licensed real estate broker.

(2) "Division" means the Division of Water Resources or the Board of Water Resources.

(3) "Director" means the Director of the Division of Water Resources.

(4) "Value" means an opinion of the worth of an identified parcel of real property or interest therein at a specific time and may be comprised of one or more of the following values: assessed value, insurable value, use value, investment value, going-concern value, business enterprise value, market value, and public interest value.

R653-13-3. Obtaining an Opinion of Value.

(1) When purchasing or disposing of real property or an interest in real property, except as provided in Subsection (2), the division may determine the value using one or more of the following methods:

(a) a broker price opinion;

(b) a market analysis, which may include an appraisal, a broker price opinion, market conditions analysis, or market demand analysis; or

(c) an appraisal.

(2) A broker price opinion, market analysis, or appraisal may not be required if:

(a) the transaction involves a water right;

(b) the division estimates the market value of the subject property is less than \$100,000;

(c) the asking price for the real property is considerably below prevailing market conditions, as estimated by the division;

(d) the asking price for the real property is reasonably in line with prevailing market values and conditions, but the division will lose the opportunity to purchase the property if time is taken to conduct a broker price opinion, market analysis, or appraisal prior to

making an offer;

(e) an appraisal has been conducted on the subject property interest within the past 12 months;

(f) the real property interest will be transferred to or exchanged with another state agency or political subdivision and that agency or political subdivision will use the property for a public purpose;

(g) the real property is being conveyed through an auction;

(h) the real property interest is a right-of-way, easement, lease, or other less-than-fee interest that is not perpetual; or

(i) where the director has determined, through a written finding, that the cost of obtaining the broker price opinion, market analysis, or appraisal is not justified or in the best interest of the state.

(3) When values other than monetary market value are considered in addition to or in place of a broker price opinion, market analysis, or appraisal, the division shall create and keep a memo-to-file describing:

(a) the division's consideration of said value(s);

(b) the division's rationale in said consideration relative to the proposed price and other terms of the purchase, sale, or exchange; and

(c) the acquisition or disposal decision made by the division.

(4) Nothing in this rule shall be construed as requiring the division when selling or disposing of real property or an interest in real property to solicit bids, advertise its interest in selling, or otherwise use a competitive solicitation process for finding potential buyers.

BOARD OF WATER RESOURCES

Report Summary



Cloud Seeding Report October 5, 2023

Staff recommends the board commit up to \$200,000 for the 2023-2024 Operational Cloud Seeding Program, with a maximum state cost-share of 50 percent with local sponsors.

The Statewide cloud seeding program was successfully completed for the winter of 2022-2023. Total program cost for Water Resources was \$1,654,415. Local Sponsors contributed a total of \$315,510. The Lower Colorado River Basin States contributed \$175,907.

New funding was used to run a pilot aerial program in Southern Utah, and to build 20 remote generators and to run 3 of them.

Seeding was suspended early February in Six Creeks and mid-March in Southern Program.

Estimated average statewide increase in the precipitation over targeted areas from December-March is 4%.

Program and Sponsor	Program Costs (\$)			
	Sponsor	State	Utah Total	Lower Basin States
Central	95,270	95,270	190,530	58,410
Utah Water Resource Development Corp.				
Northern	52,580	52,580	105,160	
Cache County	26,290			
Bear River Water Conservancy District	26,290			
Western Uinta	48,060	48,060	96,120	
Weber Basin Water Conservancy District	24,030			
Provo Water Users Association	12,015			
Central Utah Water Conservancy District	12,015			
High Uinta	51,650	51,650	103,300	21,970
Central Utah Water Conservancy District	25,825			
Duchesne County Water Conservancy District	12,913			
Uintah Water Conservancy District	12,913			
Six Creeks	42,930	42,930	85,850	
Salt Lake Public Utilities				
Book Cliffs	17,777	29,705	47,480	14,160
Range Valley Ranch				
Emery	23,020	23,020	46,030	11,000
Emery Water Conservation District				
New Operations	0	1,311,200	1,311,200	0
Southern Aerial Pilot Program		366,458		
Remote Generators		944,740		
SubTOTAL	313,510	1,654,415	1,985,670	105,540
WRF Model Improvements				15,000
Remote Generator				13,642
La Sal Design Study				2,000
Northern Uinta Program				13,225
Icing meters				26,500
SubTOTAL	0	0	0	70,367
TOTAL			1,985,670	175,907 2,161,577

2024 Board Meeting Dates

January 25 - Thursday

March 20 - Wednesday (St. George)

May 9 - Thursday

June 20 - Thursday

August 15 - Thursday

October 10 - Thursday

December 11 - Wednesday

Unapproved

BOARD OF WATER RESOURCES

BRIEFING MEETING

MINUTES

August 10, 2023

Utah Department of Natural Resources

Utah Board of Water Resources

Board Briefing Meeting

AUGUST 10, 2023

10:00 AM

BOARD MEMBERS PRESENT

Chair Juliette Tennert

Charles Holmgren

Blaine Ipson

Spencer Jones

Dana Van Horn

Kyle Stephens

Mike Davis (Sworn in during the Briefing Meeting)

BOARD MEMBERS (Excused)

Randy Crozier

STAFF PRESENT

Director Candice Hasenyager

Deputy Director Joel Williams

Assistant Director Shalaine DeBernardi

Tom Cox

Marisa Egbert

Randy Staker

Russell Hadley

Shannon Clough

Ann Baynard

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

WELCOME

CHAIR JULIETTE TENNERT called the meeting to order at 10:04 AM and announced Board Members present. Board Member Randy Crozier is excused

Introduced the new Board Member Mike Davis.

The New Bear River Commissioner will be here (Board meeting) to report to the Board.

DISCUSSION OF BOARD AGENDA ITEMS:

APPROVAL OF MINUTES: Board members agreed that no changes needed to be made.

FEASIBILITY REPORTS:

RE468 Liberty Pipeline Company Weber Ann Baynard

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. The Applicant also experiences about 30% loss in their water system primarily to leaks in the existing 6-inch pipe.

The purpose of the project is to install a booster pump station, a transmission line and replace the leaking 6-inch older pipe with an 8-inch pipe. The Board will only be funding about 60% of the cost because of the grant from the Bureau. 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.

KYLE STEPHENS I attended the investigation meeting with Ann and Tom. This is pretty straight forward and definitely needed.

CHARLES HOLMGREN Is the pipe size adequate to move water between the two pressure zones?

ANN BAYNARD We will need to ask the engineer.

BLAINE IPSON asked if the applicant is comfortable with the repayment. Ann indicated that they may request different terms, but she had not heard anything from them about it. Blaine then asked if staff is comfortable with the terms, that they match what the Board's guidelines show. Ann indicated that they do match.

MARISA EGBERT Ann and I worked on the financial feasibility together. We wanted to make sure that we were including all of the costs for water, including property tax and costs for secondary water. Even with all that, they are still well under the affordability based on their MAGI (Median Adjusted Gross Income).

JULIETTE This is the median adjusted gross income, not the "mean". Marisa and Ann indicated that it still shows they have a lot of room to afford. We get the MAGI information from the Division of Drinking Water. Juliette then asked how we adjust the interest rate if an applicant is over the affordability guideline.

TOM COX discussed Eden Water Works, that they charge much more than Liberty Pipeline for water, they did go over the affordability guideline. Because they were over the guideline, staff recommended 30 years at 1% - and they are still over the guideline. Eden's affordability is about \$10/month more than Liberty, but charges about \$20/month more for culinary water.

Kyle will make the motion.

COMMITTAL OF FUNDS:

RM036 Mayfield Irrigation Company Sanpete Marisa Egbert

BLAINE IPSON This is just the committal of funds for the loan, it's pretty straight forward. Marisa indicated that the ARPA grant was committed already but there were more requirements for the loan, which have been completed.

Blaine will make the motion.

RE460 Davis & Weber Counties Canal Company (DWCCC) Davis Tom Cox

KYLE STEPHENS This is just more of the same for DWCCC. They are working through what is in their Master Plan. They are enclosing their open canals with precast concrete box culverts. This is just another phase of this.

TOM COX indicated that they are just working through their list of work to do. They apply for WaterSMART grants and when they are awarded, they come to the Board for remaining funds. The cost share and repayments remaining as authorized.

BLAINE IPSON Do they have the WaterSMART grant in place already?

TOM COX I believe they are finalizing it and working on next year's application for WaterSMART. So, the Board will probably see another application soon. Rick Smith will be here in-person while not required to be present

JULIETTE TENNERT Just for clarification, for Committal of Funds, do we require applicants to be here? Answer: Only if terms/cost share change from Authorization.

DANA VAN HORN has another question about Liberty Pipeline Company. Is it their SWPPP or the traffic control that is making their mobilization line item almost \$400,000. Answer: Those two items and the mobilization were grouped together; however, it was the mobilization that was the most expensive line item in the cost estimate. Mobilization is the cost to get set up for construction - equipment, materials, etc.

SPECIAL ITEMS:

RE471 Woodland South Hills Irr. Co. (Auth & COF) Wasatch Russell Hadley

RUSSELL HADLEY Woodland South Hills is a small community just outside Woodland. At buildout it will be 78 homes, right now there are 47 homes. They have three wells, one was shut down by the Division of Drinking Water because it is not grouted deep enough. Each well produces about 40 gpm. They recently drilled a new well in case they have problems with other wells.

This project will grout the existing well to 100 feet, building a pump house for the new well and adding telemetry to the system and some pipeline.

The expected project cost is \$726,000. 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. We gave them a longer term because they are over the affordability, their water is expensive.

SPENCER JONES Has the new well already been drilled. Answer: yes. Do they have fire flow and adequate water storage?

RUSSELL HADLEY They do have a 600,000-gallon tank and that is one of the reasons they wanted to add a third well to the system, in case there are wildfires. According to the company they do meet the county's fire code. We funded the tank, pipeline, and fire hydrants about 20 years ago. That funding was recently paid off.

Mike Davis will make the motion. Representatives of the company will be in-person/online.

BLAINE IPSON Will they ask for better terms?

RUSSELL HADLEY That would be a surprise to him.

INFORMATION TO THE BOARD

Integrated Water Planning in the Great Salt Lake Basin:

Laura Vernon will present to the Board during the Board meeting.

CANDICE HASENYAGER Just a reminder about this. This comes out of last year's HB429. This is for our efforts to establish a basin plan for the whole watershed. So \$5M was appropriated by the Legislature and we applied for \$3M basin study through the Bureau of Reclamation. The timeline is just a few years. The first step is to set up a "work plan". This is what Laura will be discussing. The work plan is not due to the Legislature until November. We are working our way through the process and want to update the Board.

Capital Asset Management Plan Rules:

SHALAIN DEBERNARDI I tried to incorporate the comments I received from Board members or others that had concerns with the way the draft rule was written. Before it was requiring the CAM plan before they came to the Board for funding. Now, that plan can be part of the project costs and create that plan as they are working on a project. I want to check one more time with the Board. Do you feel this is a reasonable change to make?

Dana will make the motion to approve the rule as written.

STATUTORY WATER BANK REPORT:

Shalaine DeBernardi

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.- 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.

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 entity's governing documents. Participants leasing water through a Statutory Water Bank are to follow the rules and guidelines set by the Statutory Water Bank.

A bank is being formed in Vernal Utah. We have a public comment. It is regarding the statutory banks that they have been waiting for this application so that they could officially submit. We are hoping to have it submitted and approved in the October meeting.

If there is nothing substantive that needs to be changed, I will ask that you move to adopt the application with grammar and punctuation changes. Emily Lewis will be here to make a presentation and update the Board about what's been happening and where we are in the process.

BLAINE IPSON One of the folks I represent asked me for a clarification on paragraph #7 to #10 of the draft rule. How many days' notice would a person receive prior to the public hearing? Wanting to have as much notice as possible. I can understand maybe where this person is coming from, but in paragraph #7, I read that you must publish notice and down at the bottom of the date, time and place of the public meeting follow the code on that Then paragraph #8 says the data that recommends the public meeting will be the next board meeting, but it can't be. You have to advertise it for a successive week, according to the statute, prior to the thing, and it has to be on the website, according to the rules. Then paragraph #9 says, then we receive comments, and the board shall accept public comments for 30 days after the adjournment. So, this question, I'm not sure that we can tie it down anymore. It's following the statute. Is there any other clarification in there that we could put on how many days' notice? It appears to me that we're following the statute.

SHALAIN DEBERNARDI I think maybe what might be different here is city councils have a regular schedule, it's always a certain Tuesday or something. Our board meetings are maybe a

little bit random sometimes. I think it's pretty accurate according to the code. The notice has to be published in the local paper two consecutive weeks prior to the meeting.

KYLE STEPHENS I made some online comments and it had to do with the very end of the Capital Asset Management Plan review. It says if the Plan is found deficient the division will notify the Water Conservancy district of the Division season and provide an opportunity to cure. My question was what are the requirements? Can we put some things in place to compel them?

SHALAIN DEBERNARDI this would be one instance where we would work more closely with them. I think for the most part, if they provide us with a list of their assets and what they think they're worth and when they're going to be replaced and the cost to replace them, then that's going to meet our needs. The Division and the Board will work with people to help them accomplish their goals.

OATH OF OFFICE-New Board Member:

DNR Director Joel Ferry performed the swearing in of Mike Davis, the new Board member for the Board of Water Resources.

DIRECTOR'S REPORT:

Candice Hasenyager

This week was interim week. We had the opportunity to present all kinds of bills from 2023 on Monday at the Legislative Water Development Commission meeting.

I will give some status updates for the following: Ag Water Optimization, Colorado River Update, Watershed Councils, and talk a little bit about Utah WaterWays.

STATUS OF FUNDS:

SHALAIN DEBERNARDI

There's a little bit of a different piece than what we've been having, of course with the start of a new fiscal year. The Revolving Construction Fund. I don't know how many of you recall in June, we talked about it and it actually looked like the Revolving Fund was going in the hole because we had got some new dam safety contracts finalized before the end of the fiscal year, even though we didn't have the money. But now, look at how great the Revolving Fund looks. It's not all available for regular projects because the legislature provided the board with \$25 million in one-time dam safety funding, which all goes into the revolving fund. So that's why the revolving fund looks so much bigger than it has lately. Some of the \$25 million have already been contracted. We are working to get dam safety projects moving.

Our Cities Water Loan Fund, nothing's changed except that it's grown a little bit because we have some interest payments coming back into the fund. We have a little bit more available

than we did last year. I think we'll be looking for more projects that can be funded from that account rather than the C&D (Conservation & Development Fund). That's where so much of the action has been happening over the last year between that and ARPA. We do still look pretty good on our cash flow there. Even funding the large Deer Creek project because we have funded larger projects lately. We do have some larger repayments coming in, so we're still increasing the amount that's available every year.

Our Small System Secondary Grant funds, we got another \$2 million at the beginning of the fiscal year. These are the ones that because they're an annual appropriation, if we don't use them we risk losing them, unless we get non-lapsing authority from the legislature.

The ARPA fund which you'll see has been adjusted, because there isn't \$250 million available this year. As we've discussed in prior board meetings, we are now down to just over \$41 million available. Between this and the ARPA Water Conservation projects, there's been a slight adjustment. I changed the Water Conservation Project Grant funds. We were appropriated \$18 million and when the applications all came in and you all committed those funds at the last meeting. They are \$9,000 short of the \$18,000,000. Since it is ARPA funds, we have \$9,000 more now for secondary meters. This is the current Status of Funds for the fiscal year 2024.

CANDICE HASENYAGER One additional comment that is probably not shown in this Status of Funds. We are expecting some additional money to be transferred from the Water Infrastructure Restricted account into the C&D account in the amount of about \$50 million for the next four years. And that's really aimed at water reused storage reservoirs, piping, and systems, particularly for the Washington County area. The language is broad enough in statute that it covers the entire Colorado River Basin. There are conservation restrictions that have to be put into place to be eligible for those funds. But that's something else that you guys can anticipate seeing here in the next little bit.

OTHER ITEMS TO DISCUSS:

CANDICE HASENYAGER A quick update on the Lake Powell Pipeline (LPP). They are focused on conservation and reuse while they're waiting for all the Seven Basin States to resolve the Colorado River challenges. WCWCD has published a new 20-year plan that outlines the conservation and reuse efforts that will help the area meet water demands. The proposed projects in this plan essentially optimize use of all Virgin River water by the end of the 20 years. At that point another water source will be needed as the area continues to grow, which is why LPP is still part of the long-term solution.

Something that could impact the Lake Powell Pipeline is the Baaj Nwaavjo I'tah Kukveni - Ancestral Footprints of the Grand Canyon National Monument. One other thing to note is that the newly designated monument in northern Arizona encompasses lands where potential LPP routes would go through the monument lands. The LPP team will be looking into how the monument could impact the project.

Marisa Egbert gave an update on the Board Tour and Briefing/Board meetings in Garden City. October 4th and 5th.

CANDICE HASENYAGER I know we've highlighted it several times that we are super excited to have our new Board member Mike here and for our Provo River district. We do still have one more Board member and this is the new Board member that this last legislative session was added to include a Great Salt Lake interest into the Board. We have had some applications and submitted a recommendation to the Governor's office. We are hopeful that we will have this new Board member by October.

Proposed meeting dates. We will send them out in an email and ask you to respond to them in the next week. We just want to get your opinion on them.

DANA VAN HORN I was contacted through Muddy Creek Irrigation Company who has previously been funded, and they are changing some of their plans. They have about \$73,000 left. I wanted the Board to have this information. I was able to write an email to them, authorizing them to use the funds and they're essentially connecting four or five more farms just to use up the rest of the loan money and get a couple new connections. They had taken out some of the other parts of the plan that weren't working because of property issues. They couldn't get an easement. It doesn't take a Board action and is for your information only.

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)

It was determined before the Briefing meeting that a closed session would not be necessary. This will be discussed in the regular open meeting.

ACTION TAKEN REGARDING MATTERS DISCUSSED IN CLOSED SESSION:

Marisa Egbert

It was determined that no action was needed, thus a closed session was not needed.

ADJOURNMENT

BLAINE IPSON made the motion to adjourn the meeting. SPENCER JONES seconded the motion.

Meeting adjourned at 11:18 AM.

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THOSE PRESENT September 5, 2023 Special Board Meeting

MINUTES September 5, 2023 Special Board Meeting

SUMMARY OF BOARD ACTIONS

AUGUST 10, 2023

1. BLAINE IPSON motioned to approve the meeting minutes from June 9, 2023. SPENCER JONES seconded the motion. All voted in favor and the motion passed.
2. RE468 Liberty Pipeline Company KYLE STEPHENS motioned 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 30 years with annual payments of approximately \$167,000. SPENCER JONES seconded the motion. All voted in favor and the motion passed.
3. RM036 Mayfield Irrigation Company BLAINE IPSON motioned 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. KYLE STEPHENS seconded the motion. All voted in favor and the motion passed.
4. RE460 Davis & Weber Counties Canal Company KYLE STEPHENS motioned 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. BLAINE INPSON seconded the motion. All voted in favor and the motion passed.
5. RE471 Woodland South Hills Irr. Co. (Auth & COF) MIKE DAVIS motioned 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. CHARLES HOLMGREN seconded the motion. All voted in favor and the motion passed.
6. CAPITAL ASSET MANAGEMENT PLAN RULES, DANA VAN HORN motioned to adopt the rules. MIKE DAVIS seconded the motion. All voted in favor and the motion passed to adopt the Capital Asset Management Plan Rules.
7. STATUTORY WATER BANK REPORT, CHARLES HOLMGREN motioned 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. KYLE STEPHENS seconded the motion. All voted in favor and the motion passed. CHARLES HOLMGREN motion the Board adopt the application and guidelines for Statutory Water Banks, as written. DANA VAN HORN seconded the motion. All voted in favor and the application and guidelines have been approved.
8. ADJOURNMENT KYLES STEPHENS motioned to adjourn BLAINE IPSON seconded the motion. The Board meeting was adjourned at 3:13 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

August 10, 2023

THOSE PRESENT

BOARD MEMBERS PRESENT:

Juliette Tennert (Chair)
Charles Holmgren
Blaine Ipson
Dana Van Horn
Spencer Jones
Kyle Stephens
Mike Davis

Not Present:

Randy Crozier (excused)

STAFF MEMBERS PRESENT:

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

OTHERS PRESENT:

Teresa Wilhelmsen, State Engineer/Director Water Rights
Jami Hadlock, President, Liberty Pipeline Company
Nathan Smith, Project Manager, Liberty Pipeline Company
Rick Smith, General Manager, Davis & Weber Counties Canal Company
Jason Smith, President, Woodland South Hills Irrigation Co.
Tom Ross, Engineer, Woodland South Hills Irrigation Co. (online)
Matt Hartvigsen, Engineer, Woodland South Hills Irrigation Co. (online)
Ryan Goodrich, District Manager, Ashley Valley Water & Sewer Improvement District

Garrick Willden, Engineer, Mayfield Irrigation Company (online)
Emily Lewis, Attorney, Clyde Snow Law Firm

Utah Board of Water Resources

Board Meeting

August 10, 2023

1:00 PM Board Meeting

Department of Natural Resources Auditorium

1594 West North Temple, SLC

JULIETTE TENNERT 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 June 9, 2023. SPENCER JONES seconded the motion. All voted in favor and the motion passed.

BEAR RIVER COMMISSIONER REPORT

State Engineer - Teresa Wilhelmsen

Teresa Wilhelmsen, State Engineer and Director of the Division of Water Rights, gave a presentation and update on the Bear River Commission, along with an update of the area on which the State Engineer's office is working.

Current conditions:

- Idaho is commencing their Adjudication on the Bear River.
- Utah Adjudication- most is finished. We are actively working so that both states can work together. The goal is to be finished by 2030.
- Mill Creek Distribution Agreement- Utah State Engineer and Wyoming State Engineer. A joint agreement.
- Current Bear Lake Elevation 5916.76 ft.
- Peak Bear Lake Elevation 5917.2 ft. July 3, 2023
- Low Bear Lake Elevation 5909.68 ft. November 5, 2022
- Bear Lake rose over 7 feet over the winter and spring runoff.
- Bear Lake storage delivery began June 25th.

- Lifton pumps began pumping from Bear Lake on July 14th.

Because of a Bill that passed this session, the State Engineer became Chair of the Utah Commission. Part of the Bill also made the State Engineer the Commissioner to the Columbia River Compact.

The State Engineer measurement efforts:

- Enhanced telemetry and measurement. A new program manager over measurement was hired. (Aaron Hunt)
- Bear River Refuge (installing a new gauge soon)
- Mill Creek (installing the last device today)
- Percent of systems telemetered
- Distribution Accounting Models
- Water Rights Network (more transparency and clarity)

Governor’s Proclamation (issued this year)

- Proclamation: The Governor, under the recommendation of the State Engineer, closed all the Great Salt Lake areas to new appropriation. It will remain closed but can be re-lifted.
- Public meetings: We have had them in the areas of Cache County and Box Elder.
- Report: Part of the Proclamation was that the State Engineer needs to give a report to the Governor and Legislature by November.

Next Commission meetings are November 13-14, 2023.

Study items:

- Procedures for interstate water delivery-priority call
- Utah State Engineer’s distribution accounting model (new technology)

FEASIBILITY REPORTS:

Project No. Applicant County Project Manager

RE468 Liberty Pipeline Company Weber Ann Baynard

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 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. 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 pressure 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. 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. 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.

JAMI HADLOCK (President) Is it possible to have a little bit better terms on this loan? This is a small non-profit water company, and we are all volunteers who serve on the Board. We would like to keep the monthly bills as low as we can. Anything you can help with making sure these terms are as good as we can get, I would appreciate it.

KYLE STEPHENS There's not a lot we could do with the interest rate. But is there a possibility of some consideration for extending the years from 25 to 30? That would give them a little bit of a break. It would reduce the payments from \$188,100 down to \$167,000. That's probably the extent to which we could have some consideration based on President Hadlock's request.

JAMI HADLOCK (President) Would there be any penalties if we were to pay it off earlier?

KYLE STEPHENS There would be no penalties.

CHARLES HOLMGREN Is 8 inches of transmission pipeline going to be adequate for future growth?

NATHAN SMITH (project manager) Yes, it would be sufficient to provide the flows we need.

KYLE STEPHENS motioned 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 30 years with annual payments of approximately \$167,000. SPENCER JONES seconded the motion. All voted in favor and the motion passed.

COMMITTAL OF FUNDS:

RM036 Mayfield Irrigation Company Sanpete Marisa Egbert

The purpose of the project is to purchase and install approximately 270 secondary meters. This is for the committal of funds just for the loan. The grant portion has already been authorized and committed. 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.

BLAINE IPSON motioned 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. KYLE STEPHENS seconded the motion. All voted in favor and the motion passed.

RE460 Davis & Weber Counties Canal Company Davis Tom Cox

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

KYLE STEPHENS motioned 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. BLAINE INPSON seconded the motion. All voted in favor and the motion passed.

SPECIAL ITEMS:

RE471 Woodland South Hills Irr. Co. (Auth & COF) Wasatch Russell Hadley

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 are held in a 160,000-gallon tank. Culinary water rates are \$40.00 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 PVCpipe, the storage tank, two booster pump stations, and 24 fire hydrants. That project was paid off in June 2023. 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. 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. 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. 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.

MIKE DAVIS motioned the Board to 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. CHARLES HOLMGREN seconded the motion. All voted in favor and the motion passed.

INTEGRATED WATER PLANNING IN THE GREAT SALT LAKE BASIN:

Laura Vernon

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 work plan to detail the approach for completing the integrated plan within three years. The work plan is being developed by engaging stakeholders, building consensus, and prioritizing tasks that comprise the plan.

CAPITAL ASSET MANAGEMENT PLAN RULES:

Shalaine DeBernardi

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. 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. Staff recommends the Board adopt the rules as written.

DANA VAN HORN motioned to adopt the rules. MIKE DAVIS seconded the motion. All voted in favor and the motion passed to adopt the Capital Asset Management Plan Rules.

STATUTORY WATER BANK REPORT:

Update - Emily Lewis, Clyde Snow & Sessions (Consultant) Where we are in the process.
Approval of Statutory Bank Application and Guidelines - Shalaine DeBernardi

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.

EMILY LEWIS We are working with the staff to complete the website.

PUBLIC COMMENT: Ryan Goodrich (Ashley Valley Water Bank) most efficient statutory water bank. Thanks to the Board of Water Resources.

SHALAIN DEBERNARDI thanked EMILY LEWIS for the work and forms so we can move forward.

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.

CHARLES HOLMGREN motioned 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. KYLE STEPHENS seconded the motion. All voted in favor and the motion passed.

CHARLES HOLMGREN motioned the Board adopt the application and guidelines for Statutory Water Banks, as written. DANA VAN HORN seconded the motion. All voted in favor and the application and guidelines have been approved.

DIRECTOR'S REPORT:

Candice Hasenyager

Water supply report: The reservoir storage is at 81% of capacity compared to 50% last year.

Interim Update: We were active on the hill on Monday. I was able to give a presentation on the 23 water bills that passed. With SB76 which is titled Water Amendments we received some one-time money for helping to integrate land use and water planning providing technical assistance as well as staff position. We are currently in the process of trying to get the position posted.

SB34 Infrastructure funding study. With the Utah Water Task force, we formed a work group and we have been meeting throughout the summer.

Cloud Seeding: This last year there was 12-million-dollar one-time appropriation, and five million ongoing. This is a great expansion in our cloud seeding budget. We have been working on building 20 new remote operated cloud seeding generators. In 2024 we have a goal of getting another 40 done. We are also looking at new areas to cloud seed. We are looking to expand the aerial program into Northern Utah and hire a cloud seeding coordinator. On September 28th we are holding a Cloud Seeding Symposium.

Utah Water Ways is a newly-created nonprofit public-private partnership. The legislature appropriated \$2 million one-time and \$1 million ongoing funding to promote and educate water conservation. We have had one Board meeting and another scheduled next week. I have been helping to lead the effort while we have been looking for an executive director. We were able to post the position of Executive Director. We had 31 applicants and we are having interviews this Friday.

Conservation Update: We have received over 2,000 applications for the Landscape Incentives program for grass replacement. We now have 52 cities that have adopted ordinances to participate in the program.

These were the main things I covered at the interim this week.

Ag Water Optimization update: With the passage of SB277 last year, a new Ag optimization committee was formed. Their 2nd meeting will be this Friday - working on rules and program guidelines.

Watershed Councils: On July 13, the Bear River Watershed Council received full certification from the Utah Watersheds Council. The Weber River and Utah Lake Watershed Councils were also certified. Efforts are ongoing to organize the West Desert, GSL, and other watershed councils, with the Uintah Basin at the top of the list.

Colorado River Update: The Bureau of Reclamation has paused its 2007 Interim Guidelines SEIS process to analyze a new alternative submitted by the Lower Division States. This alternative has not been recommended by the Upper Basin but was approved for review by Reclamation's technical team. There is still more to learn about this alternative, but it is structured to conserve 3.0 maf in the Lower Basin over a three-year period. We are waiting to learn the outcome of Reclamation's analysis of this proposed alternative. Reclamation also recently released a Notice of Intent (NOI) regarding the EIS for the post-2026 operations. Comments are due August 15. The Salinity Control Program is working on getting legislation passed as part of the upcoming Farm Bill. This legislation is aimed at reducing the required cost share in the program, which is expected to correct a funding imbalance issue. The Lower Colorado River Basin Development Fund, which the program draws from, has experienced significant reduction in hydropower generation and contributed to this problem.

DROA: The 2024 DROA plan has been finalized. It's all geared toward recovery of 588,000-acre ft. Approximately 311,000 acre-ft as of June 30 (all in Flaming Gorge) has been recovered and the rest is estimated to be recovered by Feb 2024.

Great Salt Lake: Request input on new drought mitigation efforts funded by the Inflation Reduction Act. Section 50233 of the Inflation Reduction Act provides the Bureau of Reclamation with funding to be used to mitigate the effects of ongoing drought in Reclamation States "with priority given to the Colorado River Basin and other basins experiencing comparable levels of long-term drought." Efforts are already underway utilizing this authority in the Upper and Lower Colorado River Basins to increase system efficiency leading to water conservation and longer-term durable solutions for the Colorado River System. Reclamation is working to finalize guidance for this program in 2023. We are working with the Great Salt Lake Commissioner to come up with a plan to send to the Bureau next week of what we think they should do with it.

CLOSED SESSION: Marisa Egbert noted that this was not a closed session. It was an open public meeting.

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)

A briefing of the potential sale or exchange of the property in Willard. Today they are asking for guidance from the Board.

ATTORNEY GENERAL MARTY BUSHMAN discussed the DNR code rules for each department. In the code there is a provision that says each department will enact rules to ensure that when property is sold they get concurrent value. (Statue on the books for a fair return) The sale would be under the department of Natural Resources. The Deeds are under the Division of Water resources.

SPENCER JONES I think it would be good to get an MIA appraisal done on each of these properties. But one thing that we might want to consider is maybe instead of holding back the easement just because of any environmental clearances or otherwise if there's federal regulation that changes or state regulation that changes in the future, that the difference between us having fee simple ownership of that property versus an easement to get the permitting to go through there. It would be a lot easier if we own the property versus having an easement even if we have full construction rights, maintenance rights, all of the Golden Rule rights as a beneficiary of the easement, it would still be better to hold a fee, simple to the property. Maybe we should see if we were to make a partition to subdivide off. I think that there's some exceptions for this type of situation where we wouldn't have to go to the local land use authority to subdivide and then to create a separate parcel of the boundary that we need to hold. And then we could still relinquish off the houses to the parks. But then we still maintain the fee simple title.

MARTY BUSHMAN I really think all those options. We're kind of in the early stages of looking through this and wanted to give input to the board on it. The object will be to secure the best interest we can for what we need.

CHAIR JULIETTE TENNERT I think maybe having the appraisals would be helpful because there's magnitudes of value.

BLAINE IPSON I'm not opposed to selling them for fair value, but I think we need to be very cautious.

DANA VANHORN I agree with the previous comments. I think that it benefits the taxpayers of the state and the people here to keep that under the same umbrella and roof that we talked about to minimize the expenses and have another department benefit from it.

MIKE DAVIS I feel like being very cautious to dispose of any properties that have been purchased, but on the other hand could we fabricate a deal with parks that they maintained the property for the ability to live in it and some type of a deal. But there's a value associated, if it ends up, we don't need the property down the road, 20 years. It's probably more valuable than it is with the homes removed because it would be in that potential subdivision anyway. But those are just some thoughts and honestly not knowing more details than this. I probably don't have any other thoughts for those.

CANDICE HASENYAGER I like the idea of getting that disposal policy written up in our Rules and having it for when things like these come up we have some guidance to it.

ACTION TAKEN REGARDING MATTERS DISCUSSED IN CLOSED SESSION:

No action was taken.

ADJOURNMENT:

KYLES STEPHENS motioned to adjourn. BLAINE IPSON seconded the motion. The Board meeting adjourned at 3:13 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

September 5, 2023

Utah Department of Natural Resources

BOARD OF WATER RESOURCES

Public Hearing

Ashley Valley Water and Sewer Improvement District
609 West Main Street, Vernal, UT.

Meeting Minutes
September 5, 2023

CHAIR JULIETTE TENNERT called the meeting to order at 4:00 PM and announced the Board members who were on-line.

CANDICE HASENYAGER announced those on-line.

Those who were in the Vernal Board room introduced themselves.

CHAIR JULIETTE TENNERT We have two items on the agenda today. The first will be Lake Powell Pipeline Update and Contract Amendment Request.

Lake Powell Pipeline Update and Contract Amendment Request:

ERIC DIXON The Colorado River Basin States and the Bureau of Reclamation are preparing both a Supplemental Draft Environmental Impact Statement (SDEIS) for near-term operations of the Lake Powell and Lake Mead and a Draft Environmental Impact Statement (DEIS) for post-2026 operations of Lake Powell and Lake Mead. The Bureau of Reclamation is expected to release the SDEIS later this month and the DEIS in late 2024. In St. George, they are focusing on water conservation and reuse. They've put together a new 20-year plan which highlights that they're optimizing those resources as much as they possibly can. The Bureau of Reclamation has minimized work on the Supplemental Draft Environmental Impact Statement (SDEIS).

Contracts Update:

- o Bureau of Reclamation Task Order – time only extension through 2024 (see staff recommendation below)
- o Stantec Contract – time only extension through 2025 (see staff recommendation below)
- o Bureau of Land Management Cost Recovery Agreement
- o Kaibab Band of Paiute Indians continuing to do studies on the cultural sites in the alignments that are alternatives.

The reason we needed to get this under this meeting is the contract with the Board of Reclamation. Their contracts are on a fiscal year, which ends at the end of September. We

requested to be added to this meeting because one of the requests is that we extend their task order. With how slow things have been, we're only requesting a time extension of one year for that. No additional money is needed. Then it's sustained with staying with the Stantec contract. They're looking at how much has been spent and a little effort being on it. We're looking to extend out for two years, but additional funds are requested for that.

Staff recommends the Board amend the contract with the Bureau of Reclamation for one additional year, until September 30, 2024, to continue the work in the Task Order. No additional funds will be provided for this amendment.

Staff recommends the Board amend the contract with Stantec for two additional years, until December 31, 2025, to continue the work approved in 2020. No additional funds will be provided for this amendment.

No Public comments.

MIKE DAVIS motioned for the Board to amend the contract with the Bureau of Reclamation for one additional year, until September 30, 2024, to continue the work in the Task Order. No additional funds will be provided for this amendment. RANDY CROZIER seconded the motion. All voted in favor and the motion passed.

RANDY CROZIER motioned the Board amend the contract with Stantec for two additional years, until December 31, 2025, to continue the work approved in 2020. No additional funds will be provided for this amendment. KYLE STEPHENS seconded the motion. All voted in favor and the motion passed.

CHAIR JULIETTE TENNERT I'll go ahead and rule that motion has passed. That completes the action portion of our agenda.

Next we will begin the special meeting.

A Statutory Water Banking application has been filed by the First Water Bank of Utah with the Board of Water Resources. This special meeting begins the 30-day public comment period on the application.

We have representation in person at the Ashley Valley Water and Sewer Improvement District in Vernal Utah. We posted a public notice for this meeting so that stakeholders can participate virtually and in-person to share public comments.

SHALAIN DEBERNARDI We have asked the Bank themselves to present to you. As stated, there will be no action taken on the Bank today. We will bring this back to the October 5th meeting.

RYAN GOODRICH I've asked Emily to talk about statutory legislation and the wording.

EMILY LEWIS The form we discussed at the last meeting is designed off the exact statutory language required under Section 73-31-202. We worked with Ashley Valley and its partners to figure out a formula to collect the large amount of information that the statute requires.

Submitted to you is the form that you approved at the last meeting and an addendum that goes by checkbox, so that if you ever need more explanation on a specific piece of statutory criteria, the applicant has provided that to you. This is for both the Board and members of the public who want to better understand this application. The statute requires a 30-day public meeting if an applicant submits a Statutory Water Bank application that is deemed complete by the Board of Water Resources. After taking public comments into account, the Board would approve the application at the next Board meeting.

RYAN GOODRICH When the legislation came out, we sat down with Ashley Valley and Vernal City to talk about how this could be a solution for making water use in our valley more efficient. We hired and partnered with a technology firm, Wetx, to help us through the application process and to develop some digital tools to make these types of transactions. We made this a 100% voluntary process and have tried to make that known to the public.

There are two drainages in our area. Over the years, various entities have spent millions of dollars to install pipelines for culinary and well water sources, irrigation canals, and ditches. We have several spots where they are all connected. The ability to transfer water from one canal company already exists. There are also hundreds of miles of culinary water lines running through the valley that have the same sources in the same drainages. A water bank would be beneficial because most of the physical infrastructure is already in place.

JESSE EMPEY I'm the chief technology officer at WetX. We're providing the banking software that will manage and track the water at the first Water Bank of Utah. This will be customizable by our customers. They can choose which data that they want on their dashboard. We've also developed a vault for any documents necessary to run the first Water Bank of Utah. It allows you to share those documents externally when the owner of that water is interested in leasing or selling their water. This will provide a marketplace that allows them to list the water, and for customers to log into the bank and see what is available.

DAN MATTHEWS I also work with WetX. The State Engineer and the appropriate governmental entities approve any transaction before it takes place. The person that owns the water rights would apply to be a member of the water bank and fill out an application form with all their contact information and the location of their water right. The first two members would be Vernal City and Ashley Valley. It would be something that's transparent so that everybody can see who's applying. Once they're a member of the bank, they could also apply to deposit water into the bank to be available for lease. To do that they provide all the data that the State Engineer's office needs to make sure it is in the service area and can be transferred. Once it is deposited and the change application is approved then it would go up on the marketplace.

BLAINE IPSON Permanent change applications take a long time to get approved and temporary change applications are only good for one year. Is it your intent to have each year, each of the entities that want to do this have a temporary change or a permanent change approved prior to an irrigation season? We all know that with the State Engineer's office, whether it be a temporary change application or a permanent change application, it takes time.

EMILY LEWIS The intent of the Water Banking Act is to have a one-time change application. Once the application is approved, it would be up to the bank procedure to make sure they complied with the conditions of the approval of the State Engineers order on the page application. These are all complicated questions that we're going to have to wade our way through.

MIKE DAVIS Throughout the presentation, we've talked of water rights. Does that apply to shares and irrigation companies as well?

RYAN GOODRICH Yes it does.

MIKE DAVIS Has Ashley Creek been adjudicated by the State Engineer's office? If not, would that have any impact on the water bank or how that may run depending on how the outcome of the adjudication comes?

ANDREW DUTSON Part of Ashley Creek is adjudicated. There's one part of the central canal that is not finished yet, but I don't know if that will affect it. It's a case-by-case thing. It would just depend on which application they filed and which water rights it was filed on. This is how we would look at it in every situation.

EMILY LEWIS The change application element of the statute was intended to piggyback on the existing law. The change application would still have to be filed by the company, and if a shareholder wanted to file a shareholder change application they must follow the regular rules of getting the company consent and company approval.

MIKE DAVIS It's not just anybody who owns shares, but you need to get the irrigation companies on board as well for the shareholders to participate. Are there any liabilities for the Water Bank to carry any liability insurance?

DAN MATTHEWS We are trying to make it the responsibility of the depositor to verify that they own it. There will be some fees associated with the transactions, but we're not taking some kind of ownership interest and then guaranteeing the water. We won't transmit any fees until the water is delivered. We're trying to build all those things in. The question of insurance we will really have to look at, but the theory is that we become an independent platform. We're not setting the price nor guaranteeing the deposit.

RANDY CROZIER I assume this will all be tracked.

ANDREW DUTSON Yes it will all be tracked.

SHALAIN DEBERNARDI We will close public comment on this item October 5, 2023.

CHAIR JULIETTE TENNERT This has been very educational. I learned a lot and continue to look forward to learning more as you move through this process.

BLAINE IPSON motioned to adjourn. MIKE DAVIS seconded the motion.

The meeting adjourned at 5:00 PM.