

BOARD OF WATER RESOURCES

BOARD MEETING

PLAN



CONSERVE



DEVELOP



PROTECT



JANUARY 25, 2024



DIVISION OF WATER RESOURCES

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

2024 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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March

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31						

April

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May

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June

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July

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August

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September

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29	30					

October

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27	28	29	30	31		

November

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December

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22	23	24	25	26	27	28
29	30	31				

January 25 Thursday SLC
Aug 15 Thursday TBA

March 20 Wednesday (St. George) May 9 Thursday SLC
October 10 Thursday December 11 Wednesday

June 20 Thursday SLC

Agenda
Utah Board of Water Resources
Board Briefing Meeting

January 25, 2024

10:00 am

I. WELCOME/CHAIR'S REPORT

*Chair Juliette Tennert

OATH OF OFFICE - NEW BOARD MEMBER

DNR Director Joel Ferry

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

January 25, 2024

10:00 AM Briefing

1:00 PM Board Meeting

Department of Natural Resources: Auditorium
1594 W. North Temple, Salt Lake City, UT 84114

Link to presentations and public comment form:

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

Livestream Links

Briefing Meeting: <https://youtube.com/live/Jg3lx7kGqS4>

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

APPROVAL OF MINUTES

NRCS SNOW REPORT:

Dave Ericksson

<u>Project #</u>	<u>Applicant</u>	<u>County</u>	<u>Project Manager</u>
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FEASIBILITY REPORTS:

RE475	Hyrum Blacksmith Fork Irrigation Company	Cache	Russell Hadley
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COMMITTAL OF FUNDS:

RE468	Liberty Pipeline Company	Weber	Ann Baynard
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SPECIAL ITEMS:

RC023	Consolidated Sevier Bridge (Add DS Funds)	Juab	Tom Cox
RE453	Huntsville South Bench Canal Co. (Withdrawal)	Weber	Ben Marett/Ethan Stayner
RE316	Uintah Water Conservancy Dist. (Withdrawal)	Uintah	Joel Williams/Ethan Stayner
RE369	Box Elder & Perry Flood Control (Withdrawal)	Box Elder	Russell Hadley/Ethan Stayner

NEW APPLICATIONS:

RE476	King Irrigation Company	Cache	Ethan Stayner
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INTEGRATING WATER INTO GENERAL PLANNING:

Rick Webster

BEAR RIVER DEVELOPMENT RIGHT-OF-WAY UPDATES:

Marisa Egbert

DIRECTOR'S REPORT:

Candice Hasenyager

ADJOURNMENT

BOARD OF WATER RESOURCES

REVOLVING CONSTRUCTION FUND - REGULAR PROJECTS

**Funding Status
January 25, 2024**

Funds Available for Projects This FY \$ 9,483,000

Projects Contracted This FY

1 Ashley Central Irrigation Company	RE427	\$ 1,000,000	10/02/23
2 Newton Water Users Association	RE461	618,000	10/12/23
3 Woodland South Hills Irrigation Company	RE471	<u>617,000</u>	12/01/23

Total Funds Contracted		\$ 2,235,000	
Funds Balance		\$ 7,248,000	

Projects with Funds Committed

* 1 Liberty Pipeline Company	RE468	\$ 1,000,000	01/25/24
2 West Milburn Irrigation Company	RE442	<u>335,000</u>	10/08/20

Total Funds Committed		\$ 1,335,000	
Funds Balance		\$ 5,913,000	

Projects Authorized

1 Davis & Weber Counties Canal Company	RE472	\$ 999,000	12/05/23
* 2 Hyrum Blacksmith Fork Irrigation Company	RE475	<u>228,000</u>	01/25/24

Total Funds Authorized		\$ 1,227,000	
Remaining Funds Available	(End of year balance if all listed projects were fully paid)	\$ 4,686,000	

* To be presented at Board Meeting

BOARD OF WATER RESOURCES

REVOLVING CONSTRUCTION FUND - DAM SAFETY

**Funding Status
January 25, 2024**

Funds Available for Projects This FY \$ 22,700,000

Projects Contracted This FY

1 Hurricane City	RC066	**Grant	\$ 2,296,000		11/01/23
Total Funds Contracted			\$ 2,296,000		
Funds Balance			\$ 20,404,000		

Projects with Funds Committed

* 1 Consolidated Sevier Bridge Reservoir Company	RC023	**Grant	\$ 900,000	(Add'l Amt.)	01/25/24
2 Washington County Flood Contr. Auth. (Warner)	RC049	**Grant	212,000		03/22/17
3 Washington County Flood Contr. Auth. (Stucki)	RC050	**Grant	88,400		03/22/17
Total Funds Committed			\$ 1,200,000		
Funds Balance			\$ 19,204,000		

Projects Authorized

1 None			\$ -		
Total Funds Authorized			\$ -		
Remaining Funds Available			(End of year balance if all listed projects were fully paid)	\$ 19,204,000	

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

BOARD OF WATER RESOURCES

CITIES WATER LOAN FUND

**Funding Status
January 25, 2024**

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 Hurricane City	RL591	\$ 12,665,000	12/05/23
2 Millville City	RL587	1,598,000	12/05/19
Total Funds Authorized		\$ 14,263,000	
Remaining Funds Available	(End of year balance if all listed projects were fully paid)	\$ 3,551,000	

* To be presented at Board Meeting

BOARD OF WATER RESOURCES

CONSERVATION & DEVELOPMENT FUND

**Funding Status
January 25, 2024**

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 Davis & Weber Counties Canal Company	RE460		1,530,000		10/02/23
5 Davis & Weber Counties Canal Company	RE462		2,000,000		07/02/23
6 Draper Irrigation Co (Phase 1)	RE450		6,435,000		07/18/23
7 Eden Water Works Company	RE470		1,700,000		10/02/23
8 Haight's Creek Irrigation Company	RM012	**	1,822,000		07/13/23
9 Henefer Town	RE431		2,157,000		08/29/23
10 Hooper Irrigation Company	RM042	**	798,000		10/02/23
11 Moroni City	RM059	**	346,000		07/13/23
12 Summit Creek Irrigation and Canal Co (Phase 4)	RE308		373,700	(Add'l Amt.)	10/02/23
13 Wellington City	RM058	**	484,000		11/09/23
14 Wolf Creek Irrigation Company	RM067	**	<u>132,600</u>		12/20/23
Total Funds Contracted/Closed					<u>\$ 19,387,000</u>
Funds Balance					<u>\$ 90,485,000</u>

Projects with Funds Committed

1 City of South Salt Lake	RE458		\$ 8,500,000		08/04/22
2 Eden Water Works Company	RE470		425,000	(Add'l Amt.)	12/05/23
3 Heber City	RM038	**	1,875,000		03/22/23
4 Manti City Creek WUMA	RM034	**	956,000		10/05/23
5 Mayfield Irrigation Company	RM036	**	253,000		08/10/23
6 Morgan Secondary Water Association	RM086	**	640,000		12/05/23
7 Mountain View Irrigation Company	RM033	**	743,000		12/06/22
8 Newton Water Users Association	RM044	**	92,000		09/15/22
9 North Summit Pressurized Irrigation Company	RM055	**	213,000		09/15/22
10 Richmond Irrigation & Power Company	RM010	**	606,000		10/27/22
11 Roy Water Conservancy District	RM112	**	1,839,000		10/05/23
12 Smithfield Irrigation Company	RM054	**	1,020,000		09/15/22
13 South Ogden Conservation District	RM113	**	1,389,000		10/05/23
14 Weber-Box Elder Conservation District	RM114	**	1,728,000		10/05/23
Total Funds Committed					<u>\$ 20,279,000</u>
Funds Balance					<u>\$ 70,206,000</u>

Projects Authorized

1 Davis & Weber Counties Canal Company	RE474		\$ 2,380,000		12/05/23
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 Metropolitan Water District of Salt Lake & Sandy	RL590		22,000,000		12/05/23
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		\$ 43,997,000
Funds Balance		<u>\$ 26,209,000</u>

Secondary Meter Projects Authorized

1 17th North Water Users	RM066	**	\$ 99,500	08/04/22
2 Ashley Central Irrigation Company	RM099	**	33,400	03/22/23
3 Bloomington Water Company	RM093	**	365,000	03/22/23
4 Bountiful Irrigation District	RM116	**	2,692,000	12/05/23
5 Centerville Deuel Creek Irrigation Company	RM056	**	2,199,000	03/22/23
6 Corn Creek Irrigation Company	RM094	**	304,000	03/22/23
7 Cottonwood Gooseberry Irrigation Company	RM095	**	840,000	03/22/23
8 Davis & Weber Counties Canal Company	RM115	**	1,869,000	10/05/23
9 Fillmore Water Users Association	RM089	**	395,000	03/22/23
10 Fountain Green Irrigation Co	RM049	**	303,000	08/04/22
11 Glenwood Irrigation Company	RM088	**	280,000	03/22/23
12 Horseshoe Irrigation Company	RM032	**	259,000	08/04/22
13 Lehi City	RM074	**	2,267,000	12/05/23
14 Liberty Irrigation Association	RM041	**	204,000	01/19/23
15 Loa Town	RM075	**	97,000	08/04/22
16 Minersville Reservoir and Irrigation Company	RM098	**	182,000	03/22/23
17 Monroe City	RM092	**	780,000	03/22/23
18 Mt. Pleasant City	RM085	**	729,000	03/22/23
19 Nephi Irrigation Company	RM062	**	350,000	08/04/22
20 Newton Town Sprinkling Company	RM045	**	132,000	08/04/22
21 North Logan Sprinkling Company	RM030	**	61,000	08/04/22
22 Panguitch City	RM096	**	472,000	03/22/23
23 Paradise Irrigation & Reservoir Company	RM064	**	695,000	08/04/22
24 Richards Irrigation Company	RM051	**	145,000	08/04/22
25 Sand Creek Irrigation Company	RM097	**	107,000	03/22/23
26 South Davis Water District	RM022	**	1,317,000	08/04/22
27 Syracuse City	RM110	**	4,182,000	10/05/23
28 Wanship Irrigation Company #2	RM087	**	<u>130,000</u>	03/22/23

Total Funds Authorized		\$ 21,489,000
Remaining Funds Available	(End of year balance if all listed projects were fully paid)	<u>\$ 4,720,000</u>

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

BOARD OF WATER RESOURCES

SMALL SYSTEM SECONDARY METER GRANT FUNDS

**Funding Status
January 25, 2024**

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
January 25, 2024**

Funds Available for Projects This FY **\$ 88,824,000**

Projects Contracted This FY

1 Coalville City	RM040	\$ 910,000	10/12/23
2 Hooper Irrigation Company	RM042	2,191,000	07/20/23
3 Magna Water District	RM091	350,000	11/29/23
4 Morgan Secondary Water Association	RM086	1,757,000	11/30/23
5 Settlement Canyon Irrigation Company	RM037	476,000	08/09/23
6 Springdale, Town of	RM076	90,000	10/10/23
7 Syracuse City	RM110	<u>1,479,000</u>	12/05/23

Total Funds Contracted		\$ 7,253,000	
Funds Balance		\$ 81,571,000	

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 Corn Creek Irrigation Company	RM094	834,000	03/22/23
10 Cottonwood Gooseberry Irrigation Company	RM095	2,305,000	03/22/23
11 Davis & Weber Counties Canal Company	RM115	5,129,000	10/05/23
12 Fillmore Water Users Association	RM089	1,085,000	03/22/23
13 Fountain Green Irrigation Company	RM049	832,000	08/04/22
14 Glenwood Irrigation Company	RM088	770,000	03/22/23
15 Horseshoe Irrigation Company	RM032	710,000	08/04/22
16 Leeds Water Company	RM069	364,000	08/04/22
17 Lehi City	RM074	6,223,500	10/05/23
18 Liberty Irrigation Association	RM041	560,000	08/04/22
19 Loa Town	RM075	266,000	08/04/22
20 Minersville Reservoir and Irrigation Company	RM098	500,000	03/22/23
21 Monroe City	RM092	2,022,000	03/22/23
22 Mt. Pleasant City	RM085	2,002,000	03/22/23
23 Newton Town Sprinkling Company	RM045	360,000	08/04/22
24 Newton Water Users Association	RM044	252,000	08/04/22
25 North Summit Pressurized Irrigation Company	RM055	584,000	08/04/22
26 Panguitch City	RM096	1,295,000	03/22/23
27 Paradise Irrigation & Reservoir Company	RM064	1,908,000	08/04/22
28 Roy Water Conservancy District	RM112	5,046,500	10/05/23
29 Salem City	RM077	2,590,000	01/19/23
30 Sand Creek Irrigation Company	RM097	294,000	03/22/23
31 Smithfield Irrigation Company	RM054	2,800,000	08/04/22
32 South Ogden Conservation District	RM113	3,814,000	10/05/23

33 Wanship Irrigation Company #2	RM087	357,000	03/22/23
34 Weber Basin Water Conservancy District	RM111	7,277,000	10/05/23
35 Weber-Box Elder Conservation District	RM114	<u>4,743,000</u>	10/05/23
Total Funds Committed		\$ 80,329,000	
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
January 25, 2024**

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	<u>2,000,000</u>	08/15/23

Total Funds Contracted		\$ 5,991,000	
Funds Balance		<u>\$12,000,000</u>	

Projects with Funds Committed

1 Grantsville Irrigation Company	RM103	\$ 2,000,000	12/05/23
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	<u>2,000,000</u>	06/29/23

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

* To be presented at Board Meeting

BOARD OF WATER RESOURCES

January 25, 2024

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 King Irrigation Company	RE476	RCF	960,000	2,630,000	08/16/23
8 Morgan City	RL589	CWL	2,552,000	6,004,200	08/19/22
9 Sanpete WCD (Narrows Dam)	RD377	C&D	29,325,000	34,500,000	04/07/83
10 Settlement Canyon Irrigation Co (Phase 2)	RE240	C&D	552,500	650,000	10/02/08
11 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			\$ 135,868,000	\$ 167,837,000	

* New Application

Applicant: **Hyrum Blacksmith Fork Irrigation Company**

Project Number: RE475
Fund: Revolving Construction Fund
Cost Estimate: \$460,000

Application Received: 9/29/2023
Board Meeting Date: 1/25/2024

Board Member: Charles Holmgren
Project Manager: Russell Hadley

Project Summary: The purpose of the project is to replace portions of an earthen, unlined canal with about 2,200 feet of pipe, and install a new diversion structure and canal gates on the Blacksmith Fork River.

Recommendation: Staff recommends the Board authorize 49.6% of the project cost, up to \$228,000, and that the project be purchased at 0% interest over 15 years with annual payments of approximately \$15,200.

Project Contacts:

President:
Clair Petersen
318 West 4000 South
Nibley, UT 84321
435-752-5750

Secretary:
Floyd Burnett
258 East 6600 South
Hyrum, UT 84319
435-770-4422

Engineer:
Chad Brown
Franson Civil Engineers
459 South Main Street
Logan, UT 84321
435-754-7661



Location

The proposed project is located east/northeast of Hyrum in Cache County.

Introduction & Background

The Applicant serves agricultural water to 88 shareholders, irrigating approximately 2,130 acres. Water is delivered through an unlined canal, and a canal that has been piped with water diverted from the Blacksmith Fork River. One share is equivalent to 6 acre-feet. Annual assessments are \$65/share for a single share and \$45/share for multiple shares.

While the company does not have a secondary irrigation system, a few of the agricultural irrigators also irrigate their lawns with small pumps placed in the ditch. The Applicant has never received funding from the Board.

Existing Conditions & Problems

The Applicant's unlined canal leaks substantially and has a lot of bush and tree growth on the banks, which makes it difficult to maintain. It is estimated that about 1,300 acre-feet of water is lost to seepage and plant growth along the canal.

In some areas, the canal is built on a hillside, which causes safety concerns because there are homes located below the canal. In addition, the diversion structure on the Blacksmith Fork River is deteriorating and needs to be replaced.

Proposed Project

The Applicant is requesting financial assistance to replace sections of the unlined canal with about 2,200 feet of pipe and install a new diversion structure with three headgates. The sections to be piped experience the highest seepage losses and are difficult to maintain. The Applicant plans to pipe the remaining unlined sections in the future.

Franson Civil Engineers will provide design and construction engineering services.

Benefits

The project will reduce seepage and evaporation from the open unlined canals, increase public safety, and reduce maintenance on the problem areas of the canal.

The company expects to have an increased yield on their varying crops due to the increase in water available for irrigating from the reduced seepage, and reduced operation and maintenance costs.



Cost Estimate

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

Item	Description	Quantity	Unit	Unit Price	Total
1	Diversion Structure Removal	1	LS	\$5,000	\$5,000
2	Tree removal (multiple)	1	LS	16,000	16,000
3	New inlet structure, riprap, and grate	1	LS	28,000	28,000
4	36” Headgate	3	EA	4,800	14,400
5	Canal splitter box	1	LS	6,000	6,000
6	5 CFS flume	1	EA	1,300	1,300
7	40 CFS flume	2	EA	5,200	10,400
8	36” HDPE Pipe	2,200	FT	127	279,400
Construction Cost					\$360,500
Contingency					36,000
Design & Construction Engineering					50,000
Legal and Administrative					8,500
Permitting					5,000
TOTAL					\$460,000

Cost Sharing & Repayment

The recommended cost sharing and repayment are:

Agency	Cost Sharing	% of Total
Board of Water Resources	\$228,000	49.6%
Agricultural Water Optimization Grant (Utah Department of Agriculture & Food)	191,750	41.7
Applicant	40,250	8.7
TOTAL	\$460,000	100%

The Agricultural Water Optimization Grant has been awarded.

Staff recommends the Board authorize 49.6% of the project cost, up to \$228,000, and that the project be purchased at 0% interest over 15 years with annual payments of approximately \$15,200.

Financial Feasibility

The Applicant expects to have increased yield on the varying crops with the water savings, thus there would be an increased financial benefit. Additionally, the operation and maintenance costs are expected to decrease by about \$23,000. However, the Board allows a minimum repayment term of 15 years, which would result in an annual repayment of \$15,200.



Water Rights & Supply

The following list of water rights was provided with the application for financial assistance and is provided here for reference:

Water Right Number	Flow (cfs)
22-1958	5.0
25-1959	5.0
25-1960	5.0
25-1961	5.0
25-1962	5.0
25-1963	5.0
25-4253	40.0
25-4254	10.0

Easements

The Applicant states that all of their easements are prescriptive. These will be officially recorded with the county as part of this project.

Environmental

No adverse long-term local environmental impacts are expected. However, the plant growth along the canal will lose part of its water source. The company is required to submit a Water Conservation Plan for approval by the Division of Water Resources prior to receiving funding.

Water Conservation

Approximately 1,300 acre-feet of water is expected to be conserved by construction of the project.

Applicant's Responsibilities

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

1. Obtain all easements, rights-of-way, and permits required to construct, operate, and maintain the project.
2. Pass a resolution by the appropriate majority (as defined in the company's Articles of Incorporation and Bylaws) authorizing its officers to do the following:
 - a. Assign properties, easements, and water rights required for the project to the Board of Water Resources.
 - b. Enter into a contract with the Board of Water Resources for construction of the project and subsequent purchase from the Board.
3. Have an attorney give the Board of Water Resources a written legal opinion that:
 - a. The company is legally incorporated for at least the term of the purchase contract and is in good standing with the state Department of Commerce.
 - b. The company has legally passed the above resolution in accordance with the requirements of state law and the company's Articles of Incorporation and Bylaws.
 - c. The company has obtained all permits required for the project.
 - d. The company owns all easements and rights-of-way for the project, as well as the



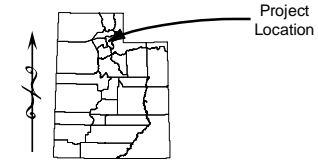
- land on which the project is located, and that title to these easements, rights-of-way, and the project itself can be legally transferred to the Board.
- e. The company's water rights applicable to the project are unencumbered and legally transferable to the Board of Water Resources, and that they cover the land to be irrigated by the project.
 - f. The company is in compliance with sections 73-10-33, 10-9a-211, and 17-27a-211 of the Utah Code governing management plans for water conveyance facilities.
4. Submit or update a water conservation plan for its service area, and obtain approval of it from the Division of Water Resources.
 5. Obtain approval of final plans and specifications from the Division of Water Resources.
 6. Obtain letters from all outside financing agencies establishing their commitment of funds to the project.

Hyrum Blacksmith Fork Irrigation Company

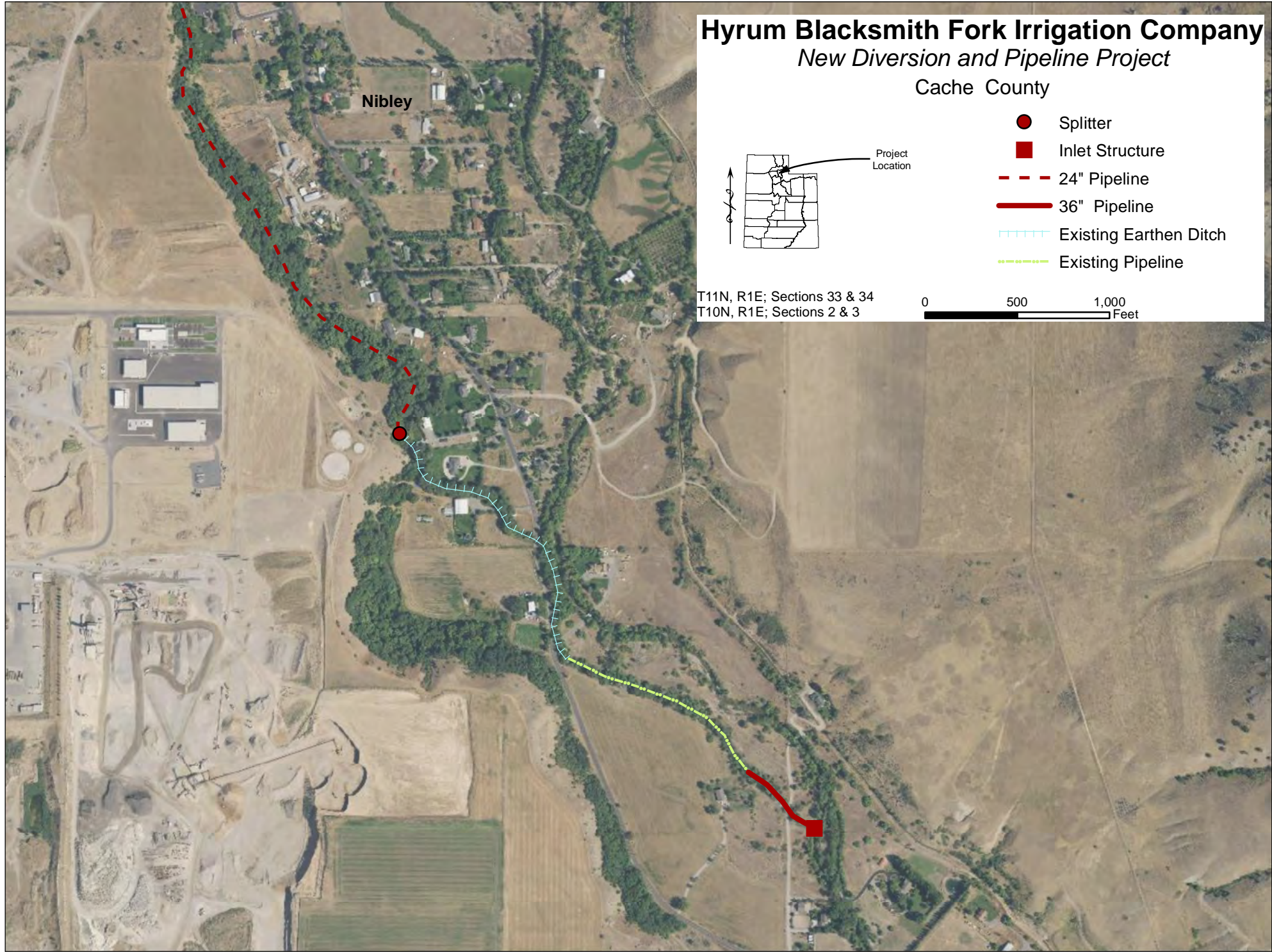
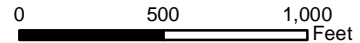
New Diversion and Pipeline Project

Cache County

- Splitter
- Inlet Structure
- - - 24" Pipeline
- 36" Pipeline
- ⋯ Existing Earthen Ditch
- ⋯ Existing Pipeline



T11N, R1E; Sections 33 & 34
T10N, R1E; Sections 2 & 3



Applicant: **Liberty Pipeline Company**

Project Number: RE468
Fund: Revolving Construction Fund
Total Cost: \$3,670,000

Application Received: 2/10/2023
Authorized: 8/10/2023
Reauthorized: 12/5/2023
Board Meeting Date: 1/25/2024

Board Member: Kyle Stephens
Project Manager: Ann Baynard

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

Recommendation: Staff recommends the Board commit 27.2% of the project cost, up to \$1,000,000, and that the project be purchased at 0% interest, over 20 years, with annual payments of approximately \$50,000.

Project Contacts:

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

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

Engineer:
Nathan Smith
J-U-B Engineers
466 North 900 West
Kaysville, Ut 84037
801-547-0393



Location

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

Project Summary

The project will include constructing a building with a booster pump station and a meeting room, and the installation of about 2 miles of an 8-inch transmission pipeline. The transmission pipeline will connect the North and South zones for the overall system to be drought resilient.

Cost Estimate & Sharing

The cost estimate and sharing remain as reauthorized:

Agency	Reauthorized Cost Sharing	% of Total
Board of Water Resources	\$1,000,000	27.2%
BOR WaterSMART Grant	1,547,700	42.2
Applicant	1,122,300	30.6
TOTAL	\$3,670,000	100%

Repayment

Staff recommends the Board commit 27.2% of the project cost, up to \$1,000,000, and that the project be purchased at 0% interest, over 20 years, with annual payments of approximately \$50,000.

BOARD OF WATER RESOURCES
Special Item - Additional Dam Safety Funds



Applicant: **Consolidated Sevier Bridge Reservoir Co.**

Project Number: RC023
Fund: Revolving Construction Fund
Phase 2 Total Cost: \$27,000,000

Phase 1 Committal: 12/20/2002
Phase 2 Committal: 5/5/2022
Phase 2 Additional: 5/11/2023
Board Meeting Date: 1/25/2024

Board Member: Blaine Ipson
Project Manager: Tom Cox

Project Summary: The purpose of the project is to complete the state minimum dam safety standards upgrade on Sevier Bridge Dam. Work will include removing and replacing the existing spillway structure and gates, constructing an auxiliary spillway, improving the downstream foundation materials, adding a stability berm and installing toe drains.

Recommendations: Staff recommends the Board commit an additional \$900,000 in dam safety grant funds, and that the contract be amended to state the Board will provide 90% of the project cost, up to \$24,300,000, as a dam safety grant.

Project Contacts:

President:
Andy Nickle
800 West 100 North
Delta, UT 84624
435-864-7423

Secretary:
Amie Johnson
800 West 100 North
Delta, UT 84624
435-864-2494

Engineer:
Bowen Collins & Associates
154 East 14075 South
Draper, UT 84020
801-495-2224



Location

The project is located approximately 30 miles east of Delta in Juab County.

Project Summary

Sevier Bridge Dam is owned and operated by the Consolidated Sevier Bridge Reservoir Company (made up of the Delta, Melville, Abraham, and Deseret irrigation companies and the Central Utah Water Company) and was constructed in 1908 and enlarged to its current configuration in 1916. It is 92 feet high, 1,340 feet long and has a storage capacity of approximately 236,000 acre-feet. Each of the companies is entitled to a different amount of reservoir water and pays for a proportionate share of its upkeep.

Phase I of a dam safety upgrade project was completed in 2004, costing nearly \$3.5 million, and included outlet improvements, installing new control gates and addressing upstream stability issues. Due to cost, downstream stability and seepage issues as well as an undersized spillway were not addressed at that time.

The Phase II upgrade project includes removing and replacing the existing spillway structure and gates, constructing an auxiliary spillway, improving the downstream foundation materials, adding a stability berm and installing toe drains. Construction is nearly complete.

As the project winds down and the final cost has been estimated, it has been determined that the project cost will be about \$1 million more than estimated. This is due to the cost of the auxiliary spillway (the design of which was finalized towards the end of the project), the determination of the value of materials donated by the Applicant, and several change orders.

Cost Estimate & Sharing

The total Phase II committed and proposed cost sharing are as follows:

Agency	Committed Phase II Cost Sharing	% of Total	Proposed Phase II Cost Sharing	% of Total
Board of Water Resources Grant	\$23,400,000	90%	\$24,300,000	90%
Applicant & BWRe Loan	2,600,000	10	2,700,000	10
TOTAL	\$26,000,000	100%	\$27,000,000	100%

Staff recommends the Board commit an additional \$900,000 in dam safety grant funds, and that the contract be amended to state the Board will provide 90% of the project cost, up to \$24,300,000, as a dam safety grant.



Applicant: **Huntsville South Bench Canal Company**

Project Number: RE453
Fund: Revolving Construction Fund

Application Received: 9/29/2021
Authorized: 12/7/2021
Committed: 12/7/2021
Board Meeting Date: 1/25/2024

Project Manager: Ben Marett

Project Contacts:

President: Greg Graves 1440 S 8000 E Huntsville, UT 84317 801-648-6822	Secretary: Sandra Walker PO Box 235 Huntsville, UT 84717 801-547-0393
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Location

The proposed project is located one mile West of Huntsville in Weber County.

Summary

In December 2021, the Board authorized and committed funds to replace an undersized pipe and concrete-lined canal with 20" HDPE pipe. Not long after that, the neighboring Coop Farm Irrigation Company (Coop) opted to pressurize their distribution system. Since Huntsville South Bench Canal Company (HSBCC) shares a point of diversion with Coop, they were required, by an existing agreement, to help with the costs. At that point, HSBCC and Coop worked together to get the necessary funds to pressurize both systems, negating the need for Board funding.

Staff recommends the project be withdrawn from further consideration by the Board.



Applicant: **Uintah Water Conservancy District**

Project Number: RE316
Fund: Conservation and Development

Application Received: 8/15/2012
Authorized: 10/10/2013
Board Meeting Date: 01/25/2024

Project Manager: Ethan Stayner

Project Contacts:

President: William Merkley 78 West 3300 North Vernal, UT 84078 435- 621-4450	Operations & Maintenance Manager: John Hunting 78 West 3300 North Vernal, UT 84078 435-790-4696
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Location

The proposed project is located in and around Vernal in Uintah County.

Summary

In October 2013, the Board authorized funds for the applicant to pipe the 12-mile Steinaker Service Canal. The applicant later broke up this work into phases and received funding from various entities to complete the work. The most recent phase was partially funded by the Board (RE455), which piped Reaches II and IIIA of the canal. If funds are needed for a future phase, a new application will be submitted.

Staff recommends this project be withdrawn from further consideration by the Board.

Applicant: **Box Elder County and Perry City Flood Control District**

Project Number: RE369
Fund: Conservation and Development

Application Received: 3/31/2015
Authorized: 6/18/2015
Board Meeting: 1/25/2024

Project Manager: Russell Hadley

Project Contacts:

Chairman:
Greg Hansen
538 North Main Street
Brigham City, UT 84302
Phone: 435-723-3491

Secretary:
Susan Obray
3005 South 1200 West
Perry, UT 84302
Phone: 435-723-6461

Location

The proposed project is in Perry City, about two miles south of Brigham City in Box Elder County.

Summary

In June 2015, the Board authorized funds for the applicant to construct earthen debris basins at the base of both Mathias and Evans Canyons. The applicant also sought funding from other sources. Since authorization the project scope has been reduced and the applicant does not need Board funds at this time. If Board funds are needed in the future, a new application will be submitted.

Staff recommends the project be withdrawn from further consideration by the Board.

BOARD OF WATER RESOURCES

Application Summary



Applicant: **King Irrigation Company**

Project Number: RE476
Fund: Revolving Construction Fund
Cost Estimate: \$2,630,000

Application Received: 8/16/2023
Board Meeting Date: 1/25/2024

Board Member: Charles Holmgren
Project Manager: Ethan Stayner

Project Contacts:

President:
Lynn Egley
3986 N. 2400 W.
Benson, UT 84335
435-994-6329

Secretary:
Kenton Reese
4591 N. 2400 W.
Benson, UT 84335
435-363-5975

Engineer:
Steven Wood
Sunrise Engineering, Inc.
2100 N. Main Street
North Logan, UT 84341
435-563-3734

Location

The proposed project is located in Benson in Cache County.

Proposed Project

The Applicant is requesting financial assistance from the Board to replace unlined canals with pressurized pipe and upgrade pump stations.

Water Rights

- 25-5087
- 25-4647



Growing Water Smart through Integrated Land and Water Planning
January 25, 2024

Implementation of SB110 (2022) and SB76 (2023)

These bills direct municipalities and counties to plan for the effect of land use on water demand. They will also coordinate the integration of the land use element with the water use and preservation element. The division is a partner in this effort.

Growing Water Smart Workshops

Growing Water Smart Workshops are one avenue that we use to provide technical support to these communities. The intensive workshops run for three days and are attended by teams from each community or county.

Growing Water Smart workshops bring key community staff and decision-makers on water and land use planning together to collaborate to build a more resilient and sustainable water future. Team members commit to one another to actively participate in all sessions of the workshop. These workshops use a range of public engagement, planning, communication, and policy implementation tools to help community teams realize their water efficiency, smart growth, watershed health, and water resiliency goals.

Presented by Rick Webster, Project Specialist



Bear River Development Planning – Right-of-Way Acquisition Update **January 25, 2024**

Legislative Summary

The Bear River Development Act (Utah Code 73-26-103(6)(f)) defines “acquisition of land and right-of-way (ROW)” as a “Preconstruction cost”. Further in the Act (73-26-302(3)) indicates that “The division may make expenditures for preconstruction costs if money is expressly appropriated or earmarked by statute for that purpose by the Legislature.”

Acquisition of Land and Right-of-Way Activities

Three properties with houses were purchased as part of a potential ROW corridor. These properties are no longer part of the potential prioritized right-of-way. We had discussions with the Utah Division of Parks about purchasing the properties for the Willard Bay State Park staff; however, they do not have the funding to purchase the properties.

We plan to have further discussion with other agencies to see if there is any interest in leasing the properties for their staff. This would include them paying all the costs of maintenance and management of the properties (yard care, utilities, remodel, appliances, furniture, etc.).

In the absence of another agency leasing or purchasing the properties, staff recommends selling the homes on the open market.

Staff Recommendation

Staff Recommends the Board approve the selling of the properties on the open market, barring another agency leasing or purchasing the properties.

Presented by Marisa Egbert, Project Funding Manager

Unapproved
BOARD OF WATER RESOURCES
BRIEFING MEETING
MINUTES
December 5, 2023

Utah Board of Water Resources
Board Briefing Meeting
December 5, 2023
8:00 AM

BOARD MEMBERS PRESENT

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

STAFF PRESENT

Director Candice Hasenyager
Deputy Director Joel Williams
Assistant Director Shalaine DeBernardi
Assistant Director Todd Stonely
Marisa Egbert
Tom Cox
Eric Dixon
Carl Ege
Randy Staker
Shannon Clough
Patrick Campana
Jack Hinzman
Bradley Caldwell
Ethan Stayner
Ann Baynard
Liz Harris, Attorney General's Office
Marty Bushman, Attorney General's Office
AV Team: Carmen McDonald & Seth Magers
Jim Egbert (online)
Ben Marett (online)

CHAIR JULIETTE TENNERT called the meeting to order at 8:02 am. Board members introduced themselves. DIRECTOR CANDICE HASENYAGER introduced staff present. Introductions of new employees: Patrick Campana, Bradley Caldwell & Ethan Stayner

Discussion of Board Agenda Items:

Approval of minutes: CHARLES HOLMGREN has one change, the spelling of a word. It will be fixed before the Board meeting.

Project No. Applicant

County Project Manager

FEASIBILITY REPORTS:

RE472 Davis & Weber Counties Canal Company Davis Tom Cox

Davis & Weber will be coming before the Board for two projects. They have asked to have them as two different projects for their bookkeeping.

The purpose of the project (RE472) is to install approximately 580 feet of HDPE pipe to provide an emergency discharge point from the Davis & Weber Canal. Approximately 1,700 feet of unlined discharge channel will also be improved. The unlined part of the discharge channel will be cleared and reestablished. The proposed project will provide a way for the Applicant to continue to flush its canal in the spring and provide an emergency discharge point.

Staff recommends the Board authorize 85% of the project cost, up to \$999,000, and that the project be purchased at 0% interest over 20 years with annual payments of approximately \$50,000.

RE474 Davis & Weber Counties Canal Company Davis Tom Cox

The purpose of the project is to enclose approximately 980 feet of the Davis & Weber Canal with a precast concrete box culvert and replace about 1,420 feet of old, aluminized-steel pipe with reinforced concrete pipe.

Staff recommends the Board authorize 52.9% of the project cost, up to \$2,380,000, and that the project be purchased at 2.1% interest over 30 years with annual payments of approximately \$107,800.

RM074 Lehi City Utah Tom Cox

The purpose of the project is to purchase and install approximately 3,550 secondary meters. In October the Board authorized and committed Round 2 of grant funds of the secondary meter project. They are coming to ask the Board today for a loan to help cover the remaining part. Staff recommends the Board authorize 25.5% of the project cost, up to \$2,267,000, as a loan, and that the bonded indebtedness be returned at 1% interest over 15 years with annual payments of approximately \$176,000 (including reserves).

RM116 Bountiful Irrigation District Davis Tom Cox

The purpose of the project is to purchase and install approximately 3,970 secondary meters. Staff recommends the Board authorize 25.5% of the project cost, up to \$2,692,000, as a loan, and that the bonded indebtedness be returned at 1% interest over 15 years with annual payments of approximately \$209,000 (including reserves).

RL590 Metropolitan Water District of Salt Lake & Sandy Salt Lake Bradley Caldwell

Metropolitan Water District wants to upgrade and install some aging and seismically unstable pipelines in the Cottonwood Heights area, between Little Cottonwood and Big Cottonwood. Zions Banks recommended we do an interest rate buydown, and we offered a net interest rate of 3%. It is suggested the Board participate in an interest rate buydown with MWDSLs to buy the market rate down to a net effective interest rate of 3%. The \$22,000,000 bonded indebtedness to the Board will be returned at 1% interest, over 30 years, with annual payments of approximately \$885,000 (includes reserves).

CHAIR JULIETTE TENNERT It's unique but it is allowable within our rule statute. Metro would be going to the private market to borrow funds and then the Board would be coming in to help them target the more affordable interest rate for a portion of the project.

MARISA EGBERT this also helps to extend the availability of the Boards funds rather than coming up with all the project funding needed. We are working with their financial advisor through Zions, Jonathan Ward. He helped come up with the numbers and was trying to get it down to the amount we would fund at typically around 3%. We should see all the funding go through our escrow, and all the invoices.

RANDY CROZIER what would the interest rate be if they went to the market.

MARISA EGBERT 4.88%.

SHALAIN DEBERNARDI This is not a credit enhancement grant; this is a loan that will be repaid with interest.

BLAINE IPSON what does a \$22 million project do to the C&D Fund?

CHAIR JULIETTE TENNERT I know we'll discuss the Status of Funds later, but could you go a bit more into it right now since it does affect how we consider this project?

SHALAIN DEBERNARDI while it does take a big chunk of funds, you have to remember that what's shown as available to fund projects is an estimate, but doesn't really show the current status of the actual account. It doesn't consider any funds that are contracted, even if they haven't been spent yet, and might not be for a few years. And there may be projects

authorized, or even committed, that never use those funds. So even if we consider everything that the board has authorized, committed and contracted, this project still doesn't use all the C&D funds.

MIKE DAVIS I have a question about the repayment period. Since their market bond is twenty years, and the Board's payments would be \$885,000 for the first twenty years, why are we leaving it steady for ten more?

SHALAIN DEBERNARDI The Board would typically offer a 15–25-year repayment. If we were providing the full amount we would offer 25 years, but when they have to pay 20 on the market we were willing to go 30 to give them a little breathing room. This is just one project of many that they are going to be doing. They are hoping to get some Aqueduct Resilience funds in the future for some of their other sections of aqueduct that are at a higher risk. Those funds come directly from the Legislature so the Board wouldn't be involved in those. Just a reminder the Board is not a bank, even though sometimes it feels like you are and sometimes we operate as one, but the intention of the Board is to help the citizens of the state and to work within the guidelines without looking to profit.

MIKE DAVIS I understand, but think that they could handle accelerated payments once their market bond is paid off in twenty years.

RANDY CROZIER I'm in favor of looking into 25 years rather than the 30, and stay more consistent with our guidelines.

SPENCER JONES is there a penalty for prepayment?

SHALAIN DEBERNARDI No. It is standard practice when the Board enters into a bond and the money goes into an escrow account to state that if there's money in the escrow at the end of the project it is used as a prepayment on the loan.

BALINE IPSON I represent a rural, lower income area, and I don't feel comfortable going with 30 years for a big metro district.

SHALAIN DEBERNARDI will get the information to the Board on a shorter repayment period.

RL591 Hurricane City Washington Ethan Stayner

The purpose of the project is to purchase and install more than 17 miles of pressurized pipeline and construct two settling ponds to expand the existing secondary system. The project also includes the installation of two wells and a 2-million-gallon (MG) tank for the existing culinary system, for more source and storage capacity. The project is located south of Gould's Wash, in the northeast portion of Hurricane City in Washington County. It will add about 700 connections to the pressurized irrigation system so they don't have to rely on the old flood irrigation system.

Staff recommends the Board authorize 40.5% of the project cost, up to \$12,665,000, and that the bonded indebtedness be returned at 0% interest over 25 years with annual payments of approximately \$528,000 (including reserves).

TOM COX I'd like to clarify a little why we're recommending these repayment terms. For municipalities the Board's affordability guideline is 1.4% of their median adjusted gross income (MAGI) to pay for water. So that's what we aim for. But when you add up what they pay for culinary water, what some pay for secondary water, plus the property tax they pay to Washington County Water Conservancy District, they total up to far more than the Board's affordability guideline. So that's why we're recommending 0% and 25 years. We aren't required to charge interest out of the Cities Water Loans Fund, and that's where this would come from.

COMMITTAL OF FUNDS:

RM086 Morgan Secondary Water Association Morgan Russell Hadley

The purpose of the project is to purchase and install 840 secondary meters on the pressurized secondary water system. No changes and is just the committal of funds.

Staff recommends the Board commit 25.5% of the project cost, up to \$640,000, and that the project be purchased at 1% interest over 15 years, with annual payments of approximately \$46,200.

SPECIAL ITEMS:

RE470 Eden Water Works (Additional Funds) Weber Tom Cox

The purpose of the project is to install about 6,800 linear feet of PVC transmission pipeline. When the bids came in they were significantly higher than expected. They are coming back to ask the Board for some additional funds. The Applicant is requesting an additional \$425,000. Staff recommends the Board commit an additional \$425,000 and amend the purchase agreement to state the Board will provide 85% of the project cost, up to \$2,125,000, and that the project be purchased at 1% interest over 30 years with annual payments of approximately \$82,400.

RE468 Liberty Pipeline Company (Reauthorization) Weber Ann Baynard

Liberty Pipeline came to the Board in August and the main purpose was for drought resiliency. They have two pressure zones (south and north), and the South has a more reliable water supply, and they want to pump water up to the North pressure zone.

The Applicant is requesting the Board reauthorize the project with a reduced project scope. The PRV station (Montgomery) and the pump station PRV will not be part of the project.

Additionally, the replacement of the existing 6-inch distribution will be removed from the scope.

This will reduce the length of the pipeline to be installed by about half of what was originally proposed. This also reduces the amount of bedding, backfill, and asphalt repair by about half. The updated proposed project will include constructing a building with a booster pump station and a meeting room, and the installation of about 2 miles of an 8-inch transmission pipeline. The transmission pipeline will connect the North and South zones for the overall system to be drought resilient. Due to the reduced cost estimate, the Applicant is requesting that their funding be provided from the Revolving Construction Fund.

Staff recommends the Board reauthorize 27.2% of the project cost, up to \$1,000,000, from the Revolving Construction Fund, and that the project be purchased at 0% interest, over 20 years, with annual payments of approximately \$50,000.

RM103 Grantsville Irr. Co. (Reauthorization & COF) Tooele Ann Baynard

Grantsville Irrigation company got the \$2 million Water Conservation Grant to install, repair and replace residential meters as well as to repair the North Willow Creek diversion structure, and replace the North Willow Creek inlet channel. Because of some issues with the Forest service on the South Willow diversion structure they will not be able to do as much work as they previously thought. They would like to use the money that was allocated for the South Willow Creek diversion to replace their inlet ditch on the North Willow Creek. They feel like this would be a better use of conservation funds. Staff recommends the Board reauthorize and commit \$2,000,000 as a Water Conservation grant to include the scope changes.

GREAT SALT LAKE PUBLIC TRUST LAWSUIT:

Attorney General's Office

SHALAIN DEBERNARDI Some action may need to be taken during the Board meeting. The Board has an interest in about 150 projects that have not been completely repaid, and could be affected if water rights are curtailed. The AG's office thought you might like them to file a motion to intervene on your behalf, and you might like to assign someone as a liaison.

LIZ HARRIS summarized the suit. Several environmental groups are arguing that the State of Utah has breached its public trust doctrine by over-appropriating the water. So they have requested that the courts require the State to curtail all of the upstream water rights to the extent necessary to bring the lake back up to what they're calling a minimum level. Marty Bushman is representing the DNR. Wendy Crowther and I will represent the Board.

CHAIR JULIETTE TENNERT expressed support for intervening because it's about protecting taxpayer funds.

KYLE STEPHENS wondered about the economic impact to the entire state if the litigants were to prevail.

RANDY CROZIER talked about the effect it would have on established water laws in the state, and that whether we want to be involved or not, the Board should be involved.

BLAINE IPSON agrees that the Board should be involved, and have a board member work with the division and AG's office in these matters.

CHARLES HOLMGREN supports the process of intervention.

CHAIR JULIETTE TENNERT We seem to have consensus that we should intervene, and a liaison should be appointed. The authority needs to stay with the Board, to approve regular filings and enter into agreements.

RANDY CROZIER Maybe instead of a single person, we could have an executive committee, made up of the Chair, Vice Chair and the Director

DANA VAN HORN agreed with Randy.

Action will be taken at the Board meeting.

FINAL WATER MARKETING STRATEGIES REPORT we expect Emily to provide an update

DIRECTOR'S REPORT will be presented.

Election of 2024 Board of Water Resources:

Will take place at the Board meeting.

INFORMATION TO THE BOARD:

CANDICE HASENYAGER

STATUS OF FUNDS:

SHALAIN DEBERNARDI

The Revolving Construction fund looks small because I did get the dam safety funds separated out. We have a couple of projects being presented today that will take a couple of million from it, but there's still funds available. The Cities Water Loans fund will have a huge change today if the Hurricane City project is authorized. The Millville City project that was taking up a million and a half has been removed because we believe it was withdrawn. Explained the process of figuring out what's available for the C&D fund at the beginning of the new fiscal year. The C&D funds have just over \$19,000,000 contracted, \$20,000,000 committed and that includes some of the projects today. And with what's authorized and proposed today it's bringing the funds down to a balance of about \$4,000,000 left. But there are some of these funds that were authorized that won't be using their funds, so it's time we look at them and possibly get them withdrawn to show more available funds. Not much has changed in the other funds.

Update of the Legislature draft legislation:

JOEL WILLIAMS

The Bill that would most directly affect the Board that there would be significant changes. This Bill is sponsored by Representative Casey Snider and it would change the way water projects are funded for all state agencies. It would put them through a prioritization process where Drinking Water, Water Quality, CIB, and Board of Water Resources are all evaluated and put in a ten year plan. The draft is out, and it's about 45 pages, with the prioritization near the end. Lots of Bills out there that we are tracking, and we will be providing updates as the session goes along. I've shared the tracking spreadsheet with you all, and I'll keep it updated.

NEW APPLICATION:

TOM COX and CARL EGE

The Board received an application from Wallace's Peak Water Company is a legitimate corporation but is made up of three individuals, a father and two sons. The application is for a new dam and pipeline. They provide water for one farm of two central pivots on 220 acres. The project cost is probably about \$12 million. The Board guidelines state that the Board will not fund projects sponsored by individuals and or families. They will be asking for between \$5 to \$10 million in loan money. Our question to you is, do we do this? Is it worth the investigation process?

CHAIR JULIETTE TENNERT I think we will want to ask for some guidance from the AG's office, and should consider the application. We should just have more discussion in January.

Adjournment

BLAINE IPSON made the motion to adjourn the meeting at 9:59 AM.

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

December 5, 2023

THOSE PRESENT

BOARD MEMBERS PRESENT

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

STAFF PRESENT

Director Candice Hasenyager
Deputy Director Joel Williams
Assistant Director Shalaine DeBernardi
Assistant Director Todd Stonely
Marisa Egbert
Tom Cox
Russell Hadley
Ann Baynard
Bradley Caldwell
Ethan Stayner
Randy Staker
Shannon Clough
Liz Harris, Attorney General's Office
Marty Bushman, Attorney General's Office
Director Joel Ferry, Department of Natural Resources
Deputy Director Todd Adams, Department of Natural Resources
AV Team: Carmen McDonald & Seth Magers

OTHERS

Rick Smith, General Manager, Davis and Weber Counties Canal Company
Dean Lundell, Finance Director, Lehi City
Jason Walker, Lehi City (online)
Kirk Gough, President, Bountiful Irrigation District (online)
Wayne Winsor, Assistant General Manager, Metropolitan Water District of Salt Lake and Sandy
Johnathan Ward, Senior Vice President, Zions Public Finance
Nanette Billings, Mayor, Hurricane City
Brent Gardner, Engineer, Alpha Engineering
Kaden DeMille, City Manager, Hurricane City (online)
Jon Werner, President, Eden Water Works Company

Nathan Smith, Project Engineer, JUB Engineers
Jami Hadlock, President, Liberty Pipeline Company
Vicki Petersen, Guest of Liberty Pipeline Company
Gene Marshall, President, Grantsville Irrigation Company
Judd Lawrence, Bingham Engineering (online)
Jeff Van Horn, Citizen

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Utah Board of Water Resources
Board Meeting
December 5, 2023
10:00 AM Board Meeting
Department of Natural Resources
1594 W. North Temple, Salt lake City

JULIETTE TENNERT called the meeting to order at 10:22 AM (delayed due to technical issues) and announced Board members present. BRIAN STEED, who represents the Great Salt Lake, is excused from this meeting. His official swearing in will be in the next meeting.

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

JULIETTE TENNERT we take public comment during the meeting, and then we also take public comments online. No public comments were submitted online for any of the items on the agenda today.

APPROVAL OF MINUTES:

CHARLES HOLMGREN moved to approve the meeting minutes from October 5, 2023. RANDY CROZIER seconded the motion. All voted in favor and the motion passed.

FEASIBILITY REPORTS:

Project No. Applicant County Project Manager

RE472 Davis & Weber Counties Canal Company Davis Tom Cox

TOM COX Davis & Weber Counties Canal Company (DWCCC) was incorporated in 1884 and provides approximately 60,000-acre feet of water annually to several wholesale agencies. They have over 17,000 secondary irrigation connections and provide water to about 9,000 acres of farm ground. This water is primarily conveyed through the Davis and Weber Canal. Over the years the board has provided 30 plus million dollars for improvements to that Canal as well as about the same amount to their secondary irrigation system. There is an abandoned penstock, the applicant utilizes the penstock of a decommissioned hydro-electric plant to flush its canal in the spring. This configuration also allows the company to drain the canal in case of emergency.

The steel penstock pipe and its concrete supports are aging and deteriorating. The proposed project is to replace the penstock with a new pipeline and make improvements to the channel. The proposed project will provide a way for the Applicant to continue to flush its canal in the spring and provide an emergency discharge point.

Staff recommends the Board authorize 85% of the project cost, up to \$999,000, and that the project be purchased at 0% interest over 20 years with annual payments of approximately \$50,000.

RICK SMITH Thanked the Board for their assistance.

KYLE STEPHENS moved that the Board authorize 85% of the project cost, up to \$999,000, and that the project be purchased at 0% interest over 20 years with annual payments of approximately \$50,000. CHARLES HOLMGREN Seconded the motion. All voted in favor and the motion passed.

RE474 Davis & Weber Counties Canal Company Davis Tom Cox

The purpose of the project is to enclose approximately 980 feet of the Davis & Weber Canal with a precast concrete box culvert and replace about 1,420 feet of old, aluminized-steel pipe with reinforced concrete pipe.

Staff recommends the Board authorize 52.9% of the project cost, up to \$2,380,000, and that the project be purchased at 2.1% interest over 30 years with annual payments of approximately \$107,800.

KYLE STEPHENS moved that the Board authorize 52.9% of the project cost, up to \$2,380,000, and that the project be purchased at 2.1% interest over 30 years with annual payments of approximately \$107,800. RANDY CROZIER seconded the motion. All voted in favor and the motion passed.

RM074 Lehi City Utah Tom Cox

Lehi City has received funding from the Board for installing secondary water meters as required by the state. Previously they have received in round one \$10 million in grant money and about \$3.6 million in loan money from the Board, and at the last Board meeting the Board authorized and committed an additional \$6.2 million in grant money and the city is here before the board today to request funds for the loan money to match that part.

Staff recommends the Board authorize 25.5% of the project cost, up to \$2,267,000, as a loan, and that the bonded indebtedness be returned at 1% interest over 15 years with annual payments of approximately \$176,000 (including reserves).

DEAN LUNDELL I appreciate the assistance with this project, we're ahead of schedule. I checked this morning and we're at 2,763 meters installed out of about 14,000. I think we're moving about as fast as we can.

MIKE DAVIS moved that the Board authorize 25.5% of the project cost, up to \$2,267,000, as a loan, and that the bonded indebtedness be returned at 1% interest over 15 years with annual payments of approximately \$176,000 (including reserves). BLAINE IPSON seconded the motion. All voted in favor and the motion passed.

RM116 Bountiful Irrigation District Davis Tom Cox

Bountiful Irrigation District serves approximately 9,800 secondary irrigation connections. About 1,800 connections have been metered. They received the grant and loan funds from the first round of the funding process. At the last Board meeting the Board authorized and committed \$7,389,000 in ARPA grant funds. They are here today to request the loan funds to match that.

Staff recommends the Board authorize 25.5% of the project cost, up to \$2,692,000, as a loan, and that the bonded indebtedness be returned at 1% interest over 15 years with annual payments of approximately \$209,000 (including reserves).

KIRK GOUGH I want to thank the Board for their assistance with the grant and loan to get this project done. We should be able to finish up our project by the end of 2026.

KYLE STPEHENS moved that the Board authorize 25.5% of the project cost, up to \$2,692,000, as a loan, and that the bonded indebtedness be returned at 1% interest over 15 years with annual payments of approximately \$209,000 (including reserves). DANA VAN HORN seconded it. All voted in favor and the motion passed.

RL590 Metropolitan Water District of Salt Lake & Sandy Salt Lake Bradley Caldwell

The Metropolitan Water District of Salt Lake & Sandy (MWDSL) has a primary mission to provide culinary water to Salt Lake City and Sandy. Their water supply comes from Little Cottonwood, Bell Canyon, the Provo River Project, Little Dell Reservoir, and the Central Utah Project. The Salt Lake Aqueduct (SLA) is the aqueduct between the Big Cottonwood Water Treatment Plant (BCWTP) and Deer Creek Reservoir. While it is in use, it is aging and seismically unstable and will need to be upgraded eventually. The Little Cottonwood Conduit (LCC) connects the Little Cottonwood WTP to the Big Cottonwood Conduit (BCC). It is currently in “active failure” and cannot provide the capacity for which it was designed. It will be abandoned once it reaches failure. The proposed project is to purchase and install about 2.5 miles of welded-steel pipeline (60- to 72-inch), about 2,400 feet of 54-inch HDPE pipe, and improvements at the site of the Little Cottonwood Water Treatment Plant.

As a result of the Board’s discussion in the briefing meeting, staff has modified the repayment terms from what is in the report. It is suggested the Board participate in an interest rate buydown with MWDSL to buy the market rate down to a net effective interest rate of 3%. The \$22,000,000 bonded indebtedness to the Board will be returned at 1% interest, over 25 years, with annual payments of approximately \$885,000 for 20 years, and annual payments of approximately \$1,991,000 the last 5 years (includes reserves).

WAYNE WINSOR we appreciate the Board's consideration and welcome the change in repayment terms. The revenue to make repayments will come from an anticipated property tax increase in our partner cities of Salt Lake and Sandy.

SPENCER JONES moved that the Board participate in an interest rate buydown with MWDSLs to buy the market rate down to a net effective interest rate of 3%. The \$22,000,000 bonded indebtedness to the Board will be returned at 1% interest, over 25 years, with annual payments of approximately \$885,000 for 20 years, and annual payments of approximately \$1,991,000 the last 5 years (includes reserves). RANDY CROZIER seconded the motion. All voted in favor and the motion passed.

RL591 Hurricane City Washington Ethan Stayner

ETHAN STAYNER Hurricane City has just over 9,000 connections in their drinking water system and about 1,500 of those are on secondary connections as well. This is in two parts. Upgrades to the culinary system and the secondary irrigation system. The project is to purchase and install more than 17 miles of pressurized pipeline and construct two settling ponds to expand the existing secondary system. The project also includes the installation of two wells and a 2-million-gallon (MG) tank for the existing culinary system. This will help reduce dependence on the culinary system and in the old flood irrigation system.

Staff recommends the Board authorize 40.5% of the project cost, up to \$12,665,000, and that the bonded indebtedness be returned at 0% interest over 25 years with annual payments of approximately \$528,000 (including reserves).

MAYOR BILLINGS I appreciate this opportunity and staff's recommendation. Our city is growing, 54 square miles and 22% developed, and we're just trying to figure out how we can best utilize our water and our system and help our residents.

SPENCER JONES moved that the Board authorize 40.5% of the project cost, up to \$12,665,000, and that the bonded indebtedness be returned at 0% interest over 25 years with annual payments of approximately \$528,000 (including reserves). BLAINE IPSON Seconded the motion. All voted in favor and the motion passed.

COMMITTAL OF FUNDS:

RM086 Morgan Secondary Water Association Morgan Russell Hadley

RUSSELL HADLEY The purpose of the project is to purchase and install 840 secondary meters on the pressurized secondary water system. Project was authorized in March of 2023. At that time the Board committed ARPA funds but not the loan funds. Cost estimate and sharing remain as authorized.

Staff recommends the Board commit 25.5% of the project cost, up to \$640,000, and that the project be purchased at 1% interest over 15 years, with annual payments of approximately \$46,200.

KYLE STEPHENS moved that the Board commit 25.5% of the project cost, up to \$640,000, and that the project be purchased at 1% interest over 15 years, with annual payments of approximately \$46,200. CHARLES HOLMGREN seconded the motion. All voted in favor and the motion passed.

SPECIAL ITEMS:

RE470 Eden Water Works (Additional Funds) Weber Tom Cox

TOM COX In June of 2023 the Board committed funds to install about 6,800 linear feet of PVC transmission pipeline. Construction is underway; however, bids came in significantly higher than expected. Funds were originally committed to the project under the following terms, that the project be purchased at 1% interest over 30 years with annual payments of approximately \$65,900. The Applicant is requesting an additional \$425,000 to cover the cost.

Staff recommends the Board commit an additional \$425,000 and amend the purchase agreement to state the Board will provide 85% of the project cost, up to \$2,125,000, and that the project be purchased at 1% interest over 30 years with annual payments of approximately \$82,400.

JON WERNER we appreciate being able to ask for more funds to be able to complete the project, and happy to answer any questions the Board may have.

KYLE STEPHENS moved that the Board commit an additional \$425,000 and amend the purchase agreement to state the Board will provide 85% of the project cost, up to \$2,125,000, and that the project be purchased at 1% interest over 30 years with annual payments of approximately \$82,400. RANDY CROZIER seconded the motion. All voted in favor and the motion passed.

RE468 Liberty Pipeline Company (Reauthorization) Weber Ann Baynard

ANN BAYNARD Liberty Pipeline came to the Board in August to install a booster pump station and 11,800 feet of 8-inch PVC transmission line. The Applicant believes this is too much money at this time and is requesting the Board reauthorize the project with a reduced project scope. The PRV station (Montgomery) and the pump station PRV will not be part of the project. Additionally, the replacement of the existing 6-inch distribution will be removed from the scope. The updated proposed project will include constructing a building with a booster pump station and a meeting room, and the installation of about 2 miles of an 8-inch transmission pipeline. This will reduce the length of the pipeline to be installed by about half of what was originally proposed. This also reduces the amount of bedding, backfill, and asphalt repair by about half. Due to the reduced cost estimate, the Applicant is requesting that their funding be provided from the Revolving Construction Fund.

Staff recommends the Board reauthorize 27.2% of the project cost, up to \$1,000,000, from the Revolving Construction Fund, and that the project be purchased at 0% interest, over 20 years, with annual payments of approximately \$50,000.ame to the Board in August.

JAMI HADLOCK we appreciate the Board's consideration in reducing the project.

KYLE STEPHENS moved that the Board reauthorize 27.2% of the project cost, up to \$1,000,000, from the Revolving Construction Fund, and that the project be purchased at 0% interest, over 20 years, with annual payments of approximately \$50,000. MIKE DAVIS seconded the motion. All voted in favor and the motion passed.

RM103 Grantsville Irr. Co. (Reauthorization & COF) Tooele Ann Baynard

ANN BAYNARD In the June 2023 board meeting, the Board authorized \$2,000,000 as a Water Conservation grant. Since the June board meeting, the Applicant has requested that the scope be changed. The meter installation will remain the same. The company is running into delays and other issues with the US Forest Service regarding the South Willow diversion repair, and would like to use those funds for North Willow instead. The purpose of the proposed project is to install, repair and replace residential meters, repair the North Willow Creek diversion structure, and reconstruction of the North Willow Creek inlet channel. Staff recommends the Board reauthorize and commit \$2,000,000 as a Water Conservation ARPA grant to include the scope changes.

DANA VAN HORN moved that the Board reauthorize and commit \$2,000,000 as a Water Conservation ARPA grant to include the scope changes. MIKE DAVIS seconded the motion. All voted in favor and the motion passed.

GREAT SALT LAKE PUBLIC TRUST LAWSUIT:

Attorney General's Office

Attorney LIZ HARRIS discussed the Lawsuit filed against the Department of Natural Resources, the Division of Water Rights, and the Division of Forestry, Fire and State Lands.

LIZ HARRIS as mentioned in the briefing meeting, the lawsuit is seeking a remedy that could mean all diversions upstream of the Great Salt Lake could be curtailed. As stated earlier, there are at least 150 outstanding projects that the Board has funded, and we're concerned that if water rights are curtailed it could affect the ability to repay those projects. So I'd like to ask if the Board wants to intervene, and if so, will you appoint a liaison to represent the Board.

JULIETTE TENNERT I am in support of intervention to protect the taxpayer funds.

RANDY CROZIER moved that the Board seek to intervene in the Great Salt Lake Litigation to protect its interests and authorize the attorney general's office to represent the Board in that litigation. RANDY CROZIER also moved that the Board designate the Board Chair, Vice Chair, and the Division Director to act as an executive committee to handle the day-to-day litigation issues and determine which matters need to come before the full Board for discussion and approval. SPENCER JONES seconded the motions. All voted in favor and the motion passed.

FINAL WATER MARKETING STRATEGIES REPORT:

Will be moved.

DIRECTOR'S REPORT:

CANDICE HASENYAGER

Snow Report/Water Supply:

Looking at the snow water equivalent on Monday morning it was 111% statewide ranging from 67% in Dirty Devil and Escalante River, 130% Weber Ogden. Prior to last weekend on December 1, for Weber it was 45%. Our Soil Moisture is in a good spot and reservoir storage - 77%. We'll make sure to have the NRCS here in January to provide a complete update.

DNR awards ceremony was this month. Jake Serago received the Directors Choice Award from Director Joel Ferry.

Water Audit:

The Legislative Audit Subcommittee requested an audit of Utah's water usage, focusing on efficiency, data reliability, and opportunities for improved policies with Utah's water usage. It was broken into three areas (chapters). There is one chapter specifically on water data, one chapter on the Ag Optimization Program run by UDAF and one chapter on state water planning.

Legislative Update and Governor Budget:

Gov. Cox's FY 24 budget recommendations include more than \$561 million investment in water infrastructure, conservation, planning and management, agricultural water optimization, and Great Salt Lake interventions. Specifically for Water Resources, the Governor recommended one state water planning specialist, \$5 million for dam safety grants, funding for watershed councils, \$20 million for aqueduct resiliency, funding for informative water bills, training for water wise landscaping practices. We're hearing budgets are tighter than they've been, but I'm happy to see there's still investment in water.

Bear River Commission Update:

The Commission meeting was held on Nov 14th. A Great Salt Lake Data Gap Analysis update was presented by Blake Bingham from Water Rights and there was a GSL Basin Integrated Plan update presented by Laura Vernon. There was also a Water Quality Committee report, Records & Public Involvement Committee report, and a Operations Committee report. In addition, the commissioners provided the Technical Advisory Committee a long list of things they would like them to do.

Colorado River Update:

Seven States negotiations are ongoing, and are trying to come to a consensus regarding the post-2026 operations alternative.

Conservation Update:

Water Conservation Plans are due on December 31st for systems needing to update them. Over 3.7 million square feet of grass has been replaced with water wise landscaping in 2023, saving an estimated 104 million gallons of water annually.

Great Salt Lake Update:

GSLBIP Work Plan is finished and there will be a Virtual Open House on Thursday 6:00-8:00 pm. The Office of the Great Salt Lake Commissioner has provided a strategic plan to the Governor's Office on November 30th. The Governor's Office has 30 days to review and provide feedback. Brian Steed, the Commissioner, has also hired Tim Davis as Deputy Commissioner.

Water Horse:

The court granted our summary judgment motion yesterday in Water Horse. Case dismissed! Not sure, at this point, if Water Horse will appeal.

ELECTION OF 2024 BOARD OFFICERS

BLAINE IPSON moved that JULIETTE TENNERT serve another year as Chair. RANDY CROZIER seconded the motion. All voted in favor and the motion passed.

BLAINE IPSON moved to elect MIKE DAVIS as Vice Chair. DANA VAN HORN seconded the motion. All voted in favor and the motion passed.

BLAINE IPSON made the motion to adjourn the meeting.

The meeting adjourned at 11:34 AM.