

The Special Meeting of the Board of Trustees of the Carbon Water Conservancy District was held Tuesday September 3, 2024 in the Upstairs Conference Room at the Carbon County Administration Building, 751 East 100 North, Price, UT 84501.

**Present:**

Jon Richens, Trustee, Chairman  
Daniel Allen, Trustee, Vice Chairman  
Keith Cox, Trustee, Treasurer  
Gordon Odendahl, Clerk  
Russell Seeley, Trustee

**Excused:**

Brad Timothy, Trustee  
Christian Bryner, Attorney

**Also Present:**

R.J. Davis, Dam Tender  
Derris Jones, Assistant Dam Tender  
Doug Rasmussen, Finance Director  
Janelle Jensen, Assistant Finance Director  
Bryan Schmutz, USBR (Remote)  
Mike Kourianos, Price City Mayor  
Miles Nelson, Price City Public Works Director  
Monique Robbins, Horrocks Engineers  
Stan Jorgensen, Horrocks Engineers  
Craig Johansen, Johansen & Tuttle Engineering  
Jonathan Johansen, Johansen & Tuttle Engineering  
Michelle Gabb, Utah Division of Water Rights  
Dave Horsley, Utah Division of Water Rights  
Bill Butcher - PRWUA  
Tommy DeHart, Trout Unlimited  
Tony Beals, NRCS, (Remote)  
Mike Malmquist, Parsons Behle & Latimer (Remote)  
Larry Jensen, Carbon County Commissioner

1. Open Meeting.

Chairman Richens opened the Special Meeting at 3:02 PM and welcomed everyone in attendance.

2. Roll Call (sign-in sheet).

Chairman Richens asked if everyone in attendance would introduce themselves and state what organization they were with for the benefit of the others in attendance.

3. Public Comments on Matters Concerning Carbon Water Conservancy District.

Note: Public Comments will be limited to 2 Minutes per Person. Public Comments or Requests from the Public may not be voted upon by the CWCD Board at this meeting because they are not listed as Agenda Items for the current meeting.

There were no comments from the public.

4. Presentation on Upper Price River Watershed Plan – EIS and Review and Discuss the Proposed Project Ownership and Operation Document – Horrocks Engineers.

Monique Robbins from Horrocks Engineers gave a brief description of the project and spoke on the “Proposed Ownership and Operation” document which has been prepared as a part of the EIS. Ms. Robbins stated that she preferred to keep the discussion on more of an informal basis and asked that anyone with questions feel free to interrupt and ask their questions at any time during the presentation unless the question doesn’t pertain to what was being talked about and then to hold those other questions until the end. Stan Jorgensen from Horrocks Engineers stated that the Key Sponsor of the project is Price City. Co-sponsors are the Canal Companies, Carbon Canal, Price Wellington Canal and the Gay Ditch are the three

Canal Companies that will be the most affected by the project, but there are also other smaller ones, also. Mr. Jorgensen stated that the NRCS will be the primary federal agency involved with the project. Also the EPA, BLM and Army Corps of Engineers have also agreed to be cooperating agencies. Mr. Jorgensen stated that they meet monthly with these federal agencies and they are all asked for input and approval. To date all three cooperating agencies have signed off on the Purpose & Needs portion of the EIS. Mr. Jorgensen then explained the requirements to be a Project Sponsor. The requirements to be a Project Sponsor are as follows: The entity must have the power or authority of Eminent Domain and must have the ability to be able to acquire Real Property through that means if needed • The authority for Permits & Licensing • The Authority to Levy Taxes • The ability to determine Land Treatment Above Reservoirs • The ability to provide or obtain Financing • The ability to Watershed and Manage the Watershed • Must have the ability to Operate and Maintain the facilities. The operation and maintenance is a big part of this discussion and will be a large part of this discussion tonight. Mr. Jorgensen then discussed the different phases of funding for the project. There are three phases of funding the project. 1. Planning/NEPA is paid 100% by NRCS. 2. Design is paid 100% by NRCS. 3. Construction funding varies depending on the purpose. Ag management is funded 75% by NRCS. Flood Management is paid 100% by NRCS. 3. Recreation is paid at 50% by NRCS, so in our case the Pipeline and Dam will be paid 75% by NRCS and 25% locally by project sponsors and Recreational Facilities will be paid 50% by NRCS and 50% locally. Mr. Jorgensen stated there are a number of ways the local funding can be obtained, and they are still working through those. One caveat that needs to be considered is that Federal Grants or other types of Federal Funds cannot be used to offset the matching funds. They can be used, but they would just be subtracted from the total project costs and the local costs would still be subject to the matching funds requirements.

Mr. Jorgensen explained about NEPA (National Environmental Policy Act), which was established in 1970. This requires that any federal agency must conduct an environmental study before they expend any federal moneys on anything. The NEPA Process has many components to get a project started. Impacts, Purpose & Needs Identification, Alternatives, Interagency Coordination, Adverse Impacts Mitigation and Public Involvement are all part of the process. Public Involvement is an important part of the process and there will be several Public Hearings before final determinations are made. The Purpose & Needs have been considered. The need results from frequent water shortages in the area. The Purpose is to improve efficiency, reliability and resiliency of the existing water management system and to allow for greater flexibility in accommodating the water needs. We must also work to minimize any downstream impact resulting from the project.

Monique Robbins explained that 26 different alternative reservoir locations were considered as well as several abandoned underground coal mines. Most have been eliminated and for this meeting we will be looking at 2 different alternative sites. Garley Canyon and Consumers Wash. Consumers Wash has 3 possible alignments for the reservoir. All of these reservoir alternatives have a capacity of 7,500 acre ft. and will require Diversion Structures and a Transmission Pipeline. The bulk of the reservoir water will come from a 5,000 acre ft. water right owned by Price City. This water right used to be a storage right but now it is not. The water right would need to be converted back to storage right. The rest of the 2,500 acre ft would be through regulating capacity which would allow it to be stored for a period of 90 days during the summertime. Hopefully we could be able to maintain the 5,000 acre ft. on a year-round basis in the reservoir. There are 5 different alternatives for the irrigation systems involving Carbon Canal, Price Wellington Canal and the Gay Ditch. All of the other Canal Companies were previously contacted but did not see where the reservoir would benefit them much due to these canals being located upstream from where the reservoir would be located. Ms. Robbins then discussed all of the alternative reservoir locations

and costs involved. Evaporation loss and sedimentation losses were discussed briefly as well as required changes to existing roads were discussed. The pipeline feeding the reservoir would start at the Bryner Ploutz Diversion North of Helper and follow Highway 6 to Consumers Road where it would turn West and continue to whichever reservoir location is chosen. Estimated Costs (based on 2023 dollars) for the various reservoir alternatives are as follows: Garley Canyon \$136,823,750 • Consumers Wash A \$95,607,150 • Consumers Wash B \$113,512,690 • Consumers Wash C \$135,435,690.

Jonathan Johansen from Johansen & Tuttle spoke about alternatives for the Irrigation System involving the 3 Canal Companies and how this reservoir could serve the irrigation companies downstream of the reservoir. All of the alternatives involve piping the canals, which has been determined to be another significant water conservation measure. Mr. Johansen described the alternatives which involve an 8" pipe diversion to feed the Gay Ditch before water gets to the reservoir. Pipe sizes for Carbon and Price/Wellington Canals range from 6" to 63", Pressure Reducing Valves, from 48 to 49 miles of pipe for Carbon Canal and approximately 21 miles of pipe for Price Wellington Canal. Alternative 1 shows the alignment of the canal systems and shows areas served. This is not necessarily the preferred system. Alternative 2 is the most cost effective and includes a pond in the 4-Mile Hill area to release pressures and allow for settling to keep the water cleaner for pressurized irrigation, which is necessary for wheel lines and pivot systems. Mr. Johansen noted that the Price Wellington Canal design is pretty much the same on all of the different alternatives. Alternative 3 allows a diversion to keep a minimum amount of water (up to 35 cfs) in the Price River from Helper to the Golf Course for fish habitat and some recreational use along the Helper Parkway. This alternative requires a 3rd pipeline for a diversion zone and a desilting structure. The cleaner water could be diverted downstream back into the canal system. Alternative #4 is trying to make the Price Wellington Canal similar to Carbon Canal Alt #3 in that there would be 2 zones and the lower zone could receive water released from the reservoir to the river. Alternate 5 is the same as Alternate 2 with the provision added to lease or sell water for minimum instream flows. Mr. Johansen stated Options 2 and 5 are the preferred (most cost effective) options while options 3 and 4 allow for instream water to be diverted into the Price River and also allow for the Diversion Zone(s) to receive water that had been released to the river from the reservoir and could have cleaner water for pressurized irrigation systems. Mr. Johansen reviewed the estimated cost for each Alternative for Piping the Canal Systems. Alternative 1 would be \$117,604,000 • Alternative 2 would be \$106,104,000 • Alternative 3 would be \$107,550,000 • Alternative 4 would be \$113,206,000 • Alternative 5 would be \$106,104,000 .

Mr. Johansen presented the possible options for recreation opportunities that could be included with the various reservoir options. NRCS Funding for recreational facilities would be 50%, so the sponsors would need to obtain other funding for the other 50%. Mr. Johansen reviewed the considerations for providing a recreational facility at the reservoir including Financial Feasibility, Scope & Concepts such as what opportunities to include and O&M , Facility Development such as timing and phases of development, and Key Performance Indicators such as Fees & Profitability and Usage & Accessibility. Two different concepts were shown for the three possible Consumers Wash locations, listed as Footprints A and B. Monique Robbins stated that there was not a recreation alternative included for the Garley Wash Reservoir location, because the cliffs and steep grades surrounding this location do not allow easy access to the water. You could still have a campground, but without access to the water, it just didn't lend itself as a suitable location for recreational facilities. Costs for the recreational alternatives were \$16,000,000 for Footprint A and \$13,000,000 for Footprint B. So far, the planning phase is all that is funded. Design and construction would come later. Mr. Johansen stated that it was possible to leave off the Recreation project for now and then come back and do it at a later date. When asked if there was a time limitation concerning the delayed

recreation facilities, Tony Beal from NRCS stated that typically, the project would need to be completed within 5 years. Mr. Beal also wanted those in attendance to know, that just because the Planning Phase is funded, there is no guarantee that we will get approved for design and construction funding. Congress needs to fund the Watershed Program and then we can go to NRCS and request Design and Construction funding. Mr. Johansen stated that concerning the recreation portion, they have spoken with Utah State Parks about them funding and adding this facility to the State Parks system and the conversations were all positive. However, as with the Federal Funding just mentioned by Mr. Beal, the State Funding of a facility like this is also dependent on the State Legislature allocating funds to develop the project.

Moving on to the next subject, Mr. Johansen stated that from their experience in Emery County with piping in the canal systems, they realized that flood control became an issue because the canals were no longer open to hold and collect flood waters during periods of heavy rain. They worked with each canal system involved and looked at where Storm Drains would need to be built to collect flood water and divert it into the canals and or rivers. They determined that with both Carbon and Price Wellington Canals needed to stay online to receive flood water and discharge it further downstream. Most of the Infrastructure would be added on the upper end of Carbon Canal. Costs would be \$200,000 which is relatively minimal mainly for upgrades to the diversions and breaching certain portions of the sluice systems. Where most of the costs are going to be involved for flood control is going to be with O&M in keeping the canals systems clear, Weed Control, and excavating to keep canals clear. This is estimated to be \$150,000 to \$200,000 per year. The County has somewhat volunteered to help with this in their initial talks. This is still a work in progress and could involve the County, Cities and Canal Companies all working together. Chairman Richens asked about Cottonwood trees that have been growing along the canals for the past 100 years. Mr. Johansen said they will quickly die and removing them along with anything else that would clog up or decrease the capacity of the canals will become part of the annual O&M costs. Trustee Seeley asked if the flood control infrastructure upgrades would be funded 100% and Mr. Johansen answered yes.

Monique Robbins talked about the Price River and Water Rights. There are currently M&I users and Irrigation users. One of the things that this project looks at is exchanges. Many times there are exchanges made back and forth during different times of the year. She stated that there is a possibility that the new reservoir could become an extension of Scofield Reservoir and the use of water could be coordinated and benefit both reservoirs. Bill Butcher from PRWUA stated that he thought it was a logical thing to do to use the reservoirs to regulate water use and storage. Mr. Butcher thought the two reservoirs could easily be managed in sync to optimize storage and use of the available water. USBR Bryan Schmutz asked how the two reservoirs would work together since they are not actually connected. Ms. Robbins spoke about how they used models of water use that were developed by the State Division of Water Rights dating back to 2014. The models showed that the lower reservoir did not fill during the first year, but in subsequent years the reservoir filled and they actually had to dump water at the end of the year in order to keep the reservoir at the 5,000 acre ft level except in cases of severe drought. The current design allows for 190 cfs in the pipeline to the reservoir and this seems to be the optimal size where the reservoir could be full during most years but yet minimizing the cost of using a larger diameter pipe. Mr. Schmutz asked if the USBR was ever involved and if the size of the reservoir could be increased. Chairman Richens stated that between PRWUA and USBR, there are currently more water rights than there is storage capacity at Scofield Reservoir, so if some of those rights could be transferred to the lower reservoir then we could increase the size and have more storage available. Ms. Robbins said that all of the locations could be designed to hold up to 10,000 acre ft but 7,500 seemed to be the most affordable size. Tony Beals from NRCS stated that if the USBR would be interested in becoming a cooperating agency it would be advantageous to increasing the size of

the reservoir now and if it was done soon enough then the USBR could accept and be a part of the current EIS and the USBR could automatically adopt this EIS as their NEPA Document. It was stated that at one time USBR was interested in the project but not as a cooperating agency. Ms. Robbins found a copy of the letter from Kent Kofford declining participation in 2020. Chairman Richens stated that personnel at USBR have changed and possibly the new management would have a different answer if we asked them now. Bill Butcher asked what it would take to add USBR as a cooperating agency. Mr. Beals stated that basically all it would take is sending a letter asking to become a cooperating agency. Ms. Robbins asked if a new MOU would be required if USBR were to become a Cooperating Agency, Mr. Beals responded "yes". Mr. Schmutz from USBR clarified that Mr. Beals recent comments were strictly talking from a NEPA Perspective and ownership, operations and maintenance would still remain private. Mr. Beals stated yes, the only thing this would change would be that if USBR were a Cooperation Agency and if they wanted to transfer water to a lower basin reservoir then this EIS would automatically become their NEPA Document for those purposes once it is approved. This was the end of the slide show discussing the EIS.

Monique Robbins continued on with the presentation from Horrocks Engineers and then started the discussion concerning the "Proposed Ownership and Operation" document. She explained that what they were looking for is an entity to take over ownership and operations of the project. The most likely entity that fits all of the requirements needed to be a "Sponsoring Organization" is Carbon Water Conservancy District. As stated in the beginning of the EIS presentation, the Sponsoring Organization must represent the entire area of distribution, must have Taxing Authority, must have authority for Permitting, have the authority for Eminent Domain, Watershed Management, Financing, and have the ability to Operate and Maintain Facilities. CWCD is the one entity in Carbon County that meets these requirements. Right now, during the planning phase Ms. Robbins stated that they would continue to have Price City as the Sponsoring Organization, but once they get to the design phase, then the Sponsoring Organization must be an organization such as CWCD that meets all of the criteria. If CWCD decides not to be the Sponsoring Organization, then a new Special Service District or some other entity would need to be set up in order to continue on with the project. Tony Beals from NRCS stated as a caveat for clarification to the discussion that at the time when the NEPA Document goes to the National Water Management Center, there must be a draft of the Watershed Agreement as well as the Draft EIS. That Draft Watershed Agreement must identify the Name of the local Sponsoring Organization that will be taking over the ownership and operation of the project. So when the EIS is submitted for the Technical Agreement, then the O&M Agreement must accompany the Draft EIS. When the ROD is issued, there must be a signed agreement in place. So, this must occur "before" the Design Phase of the project. Ms. Robbins thanked Tony for the clarification. She stated that the Sponsoring Organization(s) need to decide who would be responsible for the various infrastructure facilities. There can be more than one sponsor on the agreement, but decisions need to be made as to who will be responsible for the Diversions, Transmission Pipelines, Reservoir, Recreation, Outlet Works, Irrigation Pipelines, PRV's and Storm Water. Chairman Richens stated that Storm Water structures and management is beyond the scope of what CWCD could take on. Ms. Robbins agreed and also stated that possible Recreation might be out of the realm as well. There can be more than one entity on the agreement, but the Agreement must Identify what organizations are going to be responsible for each of these facilities. For example CWCD might be responsible for the upper part of the system and the Dam and Reservoir, the lower canal companies might be responsible for the pipelines of their own canal system, etc. Trustee Seeley asked about the Sponsoring Authority, as an example that Price City has taxing authority and Eminent Domain Authority, but only within the city limits, so they would not be able to be a sponsor for the Reservoir or Pipeline areas because it is not within the city limits. This is not to say that Price City cannot be a Supporting

Agency or a partner, but based on NRCS rules, it must be a county-wide organization such as CWCD that has those abilities over the whole scope of the project. Chairman Richens asked the group what would be the best way to discuss the items. Trustee Allen suggested that we just look at each section of the Ownership and Operation document one at a time. Trustee Cox asked what the time frame for these agreements and when these decisions need to be made. Ms. Robbins said not immediately, but we are talking about months, but not years. Chairman Richens stated that we would go ahead and discuss the document, but also, he would like to be able to talk afterwards, that he has a lot of questions and comments to bring up. Ms. Robbins began the discussion of the proposed document. She stated the first part has been pretty well discussed in this meeting already. Some of the things the sponsor would need to do are as follows:

- Be responsible to represent all of the water right holders and water users for this project
- Elect board members according to the by-laws that would represent areas of equal share amounts. Review the by-laws to determine if the project necessitates a larger board to provide sufficient representation of the water users, including from various irrigation companies and water right holders.
- Work with legal counsel on the by-laws and details for the organization.
- Enter into contracts with the water users to manage the storage and distribution of water. These contracts will be very important to guarantee the proper distribution of the various water rights and make the daily operation as smooth as possible.
- Enter into repayment contract with funding agency(s)
- Obtain seed money. Could be obtained as a loan from the Board of Water Resources and/or begin to assess taxes for the project during the design phase to build a reserve fund.
- Set assessments to cover the costs/repayment of the project, operation, and maintenance (likely based on acre-feet used).
- Assess taxes and fees
- Own the project (diversion structure, reservoir, pipelines and all of the associated structures).
- Own the rights-of-way
- Own storage rights
- Responsible for O&M of the entire system including:
  - o Diversion structure on the Price River and associated infrastructure
  - o Transmission Pipeline
  - o Turnout to Gay Ditch o Reservoir, outlet structures, and associated infrastructure
  - o Carbon irrigation system main line and PRVs
  - o Price-Wellington irrigation system main line and PRVs
  - o Meters to laterals o Lateral lines are the responsibility of the individual irrigation companies
- Contract for lease/sale of water for minimum stream flows
- River operating agreements and criteria
- Potential exchange and adjustment of water rights as agreed upon by water right holders
- In the future, could own all of the water rights now in the possession of each canal company
- Hire staff – including:
  - Manager (preferably an engineer). The manager would represent them during design and construction of the project. The manager should be involved in the development of the project to address the sponsors concerns as well as represent the water users. Some responsibilities would include:
    - o Oversee construction to understand the system as they would be responsible for operation, maintenance, repair, and future modifications.

- o Be familiar with the hydraulic design features of the pipeline and the anticipated pressures at each meter.
- o Be familiar with the pressure control features and be able to track the pressures on a SCADA system.
- o Track water into the reservoir, out of the reservoir, and through each individual meter. Computer programs can aid in this process.
- o Cooperate with the river commissioner in water delivery into the proposed reservoir. Delivery can be made using the same distribution schedule presently in use.
- o Hire maintenance organization to repair pipe leaks and other problems or hire maintenance staff.
- Secretary (preferably with an accounting background). The secretary would:
  - o Need to meet the requirements of the Federal grant contracts and be able to program the flow of money to match the contractual responsibilities.
  - o Assist with contracts (i.e. pipe material, construction, and right-of-way documents).

Trustee Allen asked if Christian Bryner has had a chance to review this document. He thought we needed legal advice in order for us to make an informed decision and a correct decision. Chairman Richens stated that Christian does have the document. Also Parsons Behle and Latimer has reviewed the document and has issued a letter of what we can do. Trustees Allen, Cox and Seeley all agreed that we need to agree as a board whether we want to do this with legal advice available to us as the decisions are being made. Also if the District does need to be expanded and then we later find out the project isn't going to be funded or it becomes not financially feasible then what happens. Tony Beals from NRCS felt that the district could commit to becoming a Sponsoring Organization then we could make any organizational changes as they become necessary if the project moves forward. Mr. Beals said that we could get a template for Watershed Agreements. Mike Malmquist from Parsons Behle & Latimer asked if we could have access to some existing Watershed Agreements as well as a listing of the process and a timeline of what needs to be completed, and when during the process. Mr. Beals stated yes, these items were available in the manual. Commissioner Larry Jensen stated that if a loan was obtained that helped fund infrastructure for the canal companies, that would probably need to be put before the population in general for a vote. Commissioner Jensen stated that if this was proposed without the irrigators demonstrating that they could pay for the canals' portion of the costs, he did not think the local taxpayers would approve these costs for something that was not a benefit to all taxpayers. Commissioner Jensen asked about the possibility of completing the project in phases, such as the dam and reservoir first, if this would generate enough water conservation to still make the project feasible, and then complete the other parts later. Commissioner Jensen stated that at this time we are really lacking the infrastructure and ability to supply water for manufacturing and industrial users and these are the users we will need in the future for the future growth and sustainability of our county. Commissioner Jensen stated that he thought we should work towards the complete project, but we should also realize that we may need to get what we can get at the time. Trustee Cox stated that he didn't, want people to think that Carbon Water Conservancy District is opposed to this project. We have been in favor of the project all along. This is possibly the biggest proposal that we have undertaken and we need to be sure that we need to do things 100% to the best of our ability, do it properly and do it legally. We are in favor of the project and Trustee Cox stated that from what he has seen, Carbon County Agencies, Municipalities, organizations and other groups have always worked together for the benefit of all. Commissioner Larry Jensen stated that at this time maybe all we need to move forward is a commitment from CWCD and if all the other pieces fall in place CWCD will continue to work with all the other agencies to make this happen. Commissioner Jensen also stated that as time moves forward, there may be other funding opportunities that become available to help pay for the project, such as opportunities to sell conserved water

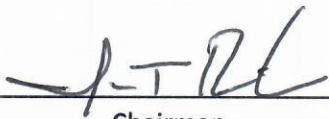
downstream, or other opportunities. Right now we need a clear path of the timeline as to when MOU's need to be put in place, and when the final organizational structure of the board needs to be finalized. Monique Robbins stated the ROD would be in mid-2025, the Final EIS would be Spring 2025. The PDEIS would be Fall 2024, the DEIS Winter 2024. The Public Hearings Winter 2024/2025. Mayor Kourianos from Price City voiced his sincere appreciation to the NRCS for the funding they have provided so far towards this project. The NRCS has provided 2 million dollars to date, and we really appreciate their help, both financially and their expertise and advice. Chairman Richens and Commissioner Jensen both stated that we need to look hard for funding from other sources of funding, because there are strong indications that raising taxes would not be approved of locally. Water Users in Emery County pay 2/3 of the costs for the EWCD and the rest comes from taxes, but they also operate differently than we do, so we can't just copy what they do. We will need to find our own way through this. We also need a financial model. All of the plans and proposals mentioned previously are dependent upon the project being financially feasible. Chairman Richens stated that we will discuss all of these things in a Special Meeting to be held as soon as we can and we will make a decision and hopefully be able inform the Price River Water Resource Committee, Horrocks, NRCS and other agencies as to what our decision is by mid-October which is when we will hold our regularly scheduled Quarterly Meeting.

5. Other Business or Unfinished Business.

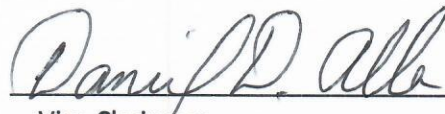
Chairman Richens asked if there was any unfinished or new business to discuss, and there was nothing brought up for discussion.

6. Adjourn Meeting.

Chairman Richens thanked all those in attendance for their support, especially those who traveled from out of town to help. Trustee Allen made a motion to adjourn the meeting. Trustee Seeley seconded the motion and the motion was passed unanimously. The meeting was adjourned at 5:15 PM.



Chairman



Vice Chairman

**Comments & Questions from  
Carbon Water Conservancy District (CWCD)  
regarding  
DRAFT DOCUMENT  
Upper Price River Project  
Proposed Ownership and Operation**

It is our understanding that the draft document was generated by Horrocks and J&T Engineering based on local experience with Emery Water Conservancy District (EWCD).

**CLARIFICATION ITEMS**

1. EWCD gets 1/3 of their operating budget from taxes (\$800K) and 2/3 from assessments from the water users (\$1.6M).
2. EWCD does not own the irrigation main lines for the Canal Companies. These are owned by the individual Canal Companies. However, EWCD does have a contract to do the maintenance at cost as they have the staff and equipment.
3. EWCD does own the water rights for the water stored in their facilities.
4. It appears that Counties or project areas cannot have both a Special Services District and a Water Conservancy District that serve the same purpose for the same area.
5. Yes, the lower basin reservoir falls within the limitations of the Carbon Water Conservancy District as defined in the original formation documents and Utah State code 17B including Purpose of water conservancy districts, Special district status and powers, and Limitation on water conservancy districts.
6. Yes, CWCD levies tax. Note, Carbon County has been reducing the district's mill rate continually over the past several years from 0.000139 in 2014 to the proposed 0.000122 in 2024 (>12% reduction). This equates to a total tax revenue in 2024 of \$271,110. As a point of comparison, EWCD's mill rate is 0.000419 (3.5X higher) and equates to approx. \$800K in tax revenue.
7. Currently CWCD staff includes contract Admin, contract Dam Tender, contract assistant Dam Tender, contract Attorney, and outside Financial Director. Staff would be needed including General Manager and most likely others.
8. CWCD currently has five (5) Trustees based on geography. In the past, the canal companies were active on the CWCD Board. If the Board is expanded/restructured, we would have to follow State Law for Water Conservancy Districts and Special Service Districts (Utah Code 17B). Board Members would be appointed by Commissioners. Board members would not have an automatic seat based on title from a local entity or canal company.
9. There is a maximum allowable tax rate for districts at 0.0004. There is a potential for an extra 0.0001 to allow a District to meet obligations.

10. Looking at last year's total Ag Water use, Price Wellington and Carbon Canal are 85% of Ag use in the Price River drainage.

## **QUESTIONS BASED ON THE DRAFT OWNERSHIP & OPERATION DOCUMENT**

### **Ownership of the Project**

1. Will the Carbon Water Conservancy District own the water in the lower basin reservoir, or who will the water shareholders be?
2. Scope boundaries – if CWCD takes on the project including the new diversion, piping to reservoir, and reservoir including outlet structure, should CWCD also take on the main lines with PRVs and meters that are specific to two canal companies? What about other canal companies in Carbon County? There should be a good reason for the taxpayers to support these two, while the others are stand alone.
3. How would this project impact or benefit Gay Ditch water users as a portion of that project would include them? Are they interested in an assessment to cover District costs for Capital as well as O&M for associated improvements?
4. Will NRCS have any future involvement with the project after it is built?

### **Conserved Water and Efficiency Gain**

1. What are the expected water savings (efficiency improvements) with the Lower Basin Reservoir project and piping the Carbon and Price/Wellington Canals?
2. Once the project is complete and efficiency improved for irrigation, what happens to the conserved water? Should the excess water be title transferred to CWCD and used elsewhere (maybe leased down river for the short term) to help with repayment of the project?
  - a. Should the ultimate use of the conserved water be for the future growth and development of Carbon County? Or is the idea to expand ag?
3. How do we ensure instream flows in the Price River?
  - a. What is that target instream flow?
  - b. Whose water will be secured for that instream flow?

### **Financing of the Project**

1. When will a financial study or model be completed? Who will be completing this? Items that will need to be addressed include, but not limited to:
  - a. Impacts to taxes (keep in mind the max allowable tax rates)
  - b. Impacts to assessments to cover O&M as well as begin repayment obligations on the project (with or without piping the canals).
  - c. Other funding sources including grants and long term, low interest loans.

### **O&M**

1. What are the anticipated operation and maintenance costs for the project (reservoir including diversion and main pipeline, as well as Carbon Canal and Price/Wellington

Canal)? Keep in mind these costs are in addition to current obligations including the operations and maintenance of Scofield.

2. How many employees are anticipated for day-to-day O&M once the project is operational?
3. Would it be possible to contract with PRWID, Price City, and/or Carbon County for the first 5-10 years to provide O&M support (labor and equipment) at cost while the District hires maintenance personnel and acquires needed tools and equipment?
4. Do provisions need to be made to protect reservoirs from large rain events and sediment being carried in from the areas to the west of the proposed site (similar to Adobe reservoir in Emery County)?
5. Once canals are enclosed, what about all of the large trees and habitat that wildlife has relied as a result of open canals and seepage for the past 100+ years?
6. NRCS will fund the flood protection once the canals are enclosed. Who is responsible for flood protection facility O&M (weeds, sediment, etc.)?

### **CWCD & District Reorganization**

1. As the District would now need employees, what policies and procedures need to be in place for having full time employees?
2. Who helps develop policies procedures, employee handbooks, etc.?
3. Can the District rely on Carbon County for Policies and Employee Handbook?
4. Can the District utilize Carbon Counties support resources (HR, labor, equipment, employees, etc.)?

### **Schedule**

1. What is the latest timeline for:
  - a. Draft EIS – Winter 2024
  - b. Draft Watershed Agreement
  - c. Final (executed) Watershed Agreement
  - d. Final EIS – Spring 2025
  - e. Record of Decision Summer 2025
2. Once the ROD is issued, when does engineering start?
3. How long will engineering take?

### **What other items are critical in the process**

1. Financial model needs to be developed and should be a high priority.
2. MOUs (concept agreements) for the affiliated parties
  - a. Storage right owners
    - i. Transfer ownership of water rights to CWCD
    - ii. Price City getting storage rights in Scofield
  - b. Canal companies for assessments (some canal companies may pay a higher fee).
  - c. If the project allows for some farming, but saves water, what happens to saved water?
  - d. Landowners (private and public)
  - e. Carbon County (roads, other required facilities, etc.)

- f. Recreation (BLM / State Parks) – May be some continuity to use State Parks as that is who operates recreation at Scofield?
  - g. Sponsoring Own/Operate/Maintain Entity with better definition on scope and obligations
- 3. When is the State Engineers office brought into discussions for storage right exchanges and transfer (Price City, PRWUA, Reclamation, CWCD)?
- 4. What about change applications from current diversions to new diversions, reservoir and enclosed canal?
- 5. How can we encourage or get commitment from water users for saving conserved water from this project to be put back into the Price River Draining and Carbon County or deeded to CWCD to offset project repayment and O&M? There is concern that due to improved efficiency, some may see this as an opportunity to begin farming on barren or previously unirrigated lands.

## Upper Price River Project Proposed Ownership and Operation

### OWNERSHIP

To design and construct the Upper Price River Watershed Project (project), a sponsoring organization is needed. The sponsor would represent the entire area of distribution and should have taxing authority. The sponsor would have responsibilities such as:

- Contract with NRCS for PL56-833 funding
- Finance the cost share for construction including facilities that benefit the entire project
- Collect funds from project recipients for respective cost share
- Collect taxes
- Enter into contracts with the water right holders and project beneficiaries
- Become the owner and provide O&M of the same facilities
- Contract with another agency or to a private contractor for maintenance

**It is proposed that the sponsor be the Carbon Water Conservancy District (CWCD).** Its authority is governed by state code and is sufficient for the purpose of being the sponsor and the ultimate owner of the project and project facilities. Its board members are appointed by the County Commission to four-year terms and therefore can be selected to provide a wide range of representation of the water users. CWCD currently has the purpose of administering the operation and maintenance of Scofield Dam & Reservoir. This project would expand CWCD's responsibility to own, operate, maintain, and repair the project facilities. If the CWCD does not vote to accept the responsibility, another sponsor would be needed, which could be a new consolidated organization that represents all of the water right holders and would serve the same functions as identified in this document.

The sponsor would:

- Be responsible to represent all of the water right holders and water users for this project
- Elect board members according to the by-laws that would represent areas of equal share amounts. Review the by-laws to determine if the project necessitates a larger board to provide sufficient representation of the water users, including from various irrigation companies and water right holders.
- Work with legal counsel on the by-laws and details for the organization.
- Enter into contracts with the water users to manage the storage and distribution of water. These contracts will be very important to guarantee the proper distribution of the various water rights and make the daily operation as smooth as possible.
- Enter into repayment contract with funding agency(s)
- Obtain seed money. Could be obtained as a loan from the Board of Water Resources and/or begin to assess taxes for the project during the design phase to build a reserve fund.
- Set assessments to cover the costs/repayment of the project, operation, and maintenance (likely based on acre-feet used).
- Assess taxes and fees
- Own the project (diversion structure, reservoir, pipelines and all of the associated structures)

- Own the rights-of-way
- Own storage rights
- Responsible for O&M of the entire system including:
  - Diversion structure on the Price River and associated infrastructure
  - Transmission Pipeline
  - Turnout to Gay Ditch
  - Reservoir, outlet structures, and associated infrastructure
  - Carbon irrigation system main line and PRVs
  - Price-Wellington irrigation system main line and PRVs
  - Meters to laterals
  - Lateral lines are the responsibility of the individual irrigation companies
- Contract for lease/sale of water for minimum stream flows
- River operating agreements and criteria
- Potential exchange and adjustment of water rights as agreed upon by water right holders
- In the future, could own all of the water rights now in the possession of each canal company
- Hire staff – including:
  - Manager (preferably an engineer). The manager would represent them during design and construction of the project. The manager should be involved in the development of the project to address the sponsors concerns as well as represent the water users. Some responsibilities would include:
    - Oversee construction to understand the system as they would be responsible for operation, maintenance, repair, and future modifications.
    - Be familiar with the hydraulic design features of the pipeline and the anticipated pressures at each meter.
    - Be familiar with the pressure control features and be able to tract the pressures on a SCADA system.
    - Tract water into the reservoir, out of the reservoir, and through each individual meter. Computer programs can aid in this process.
    - Cooperate with the river commissioner in water delivery into the proposed reservoir. Delivery can be made using the same distribution schedule presently in use.
    - Hire maintenance organization to repair pipe leaks and other problems or hire maintenance staff
  - Secretary (preferably with an accounting background). The secretary would
    - need to meet the requirements of the Federal grant contracts and be able to program the flow of money to match the contractual responsibilities.
    - Assist with contracts (ie. pipe material, construction, and right-of-way documents).
- Note: NRCS funding (75%) for the project is on a reimbursable basis, so after payments are made on their contracts, the sponsor would seek reimbursement. Local participation (25%) could be made through assessments and/or from a loan from the Board of Water Resources.

In addition to the ownership of the project facilities and infrastructure, an owner/operator is needed for:

- Access roads
- Recreation facilities

**It is proposed that the access roads be owned and maintained with ROW provided by Carbon County.** The main purpose of the access road at Consumers Wash is to maintain access to the Geneva Rock plant. A secondary purpose is to provide access to recreation facilities.

**It is proposed that the recreation facilities be owned and operated by State Parks or BLM.** The recreation amenities to be provided need to be finalized by the sponsor that owns the reservoir, as proposed, that would be CWCD. The currently proposed recreation amenities include:

- Watercrafts - motorized
- Boat ramp
- Campground with individual sites (including power and septic dump station)
- Picnic pavilions
- Restroom facilities
- Fish cleaning station
- Roadways - paved
- Parking lot

Note: NRCS funding (50%) for the project is on a reimbursable basis, so after payments are made on their contracts, the sponsor would seek reimbursement. Local participation (50%) could be made through assessments and/or from a loan from the Board of Water Resources. **The sponsoring entity responsible for entering into contracts, including repayment, with the NRCS is proposed to be Carbon County.**

#### **PROPOSED OPERATIONS**

Under the proposed project operations, water would be diverted and delivered into the reservoir instead of into the head of the canals. Water stored in the proposed reservoir would be distributed to project beneficiaries based on the water right ownership in units of acre-feet. It would be measured from reservoir releases into the Carbon and Price-Wellington irrigation system main pipelines. Daily accounting of water deliveries into the reservoir would be the responsibility of the manager and his staff in coordination with the river commissioner.

The accounting of pipeline deliveries to the individual meters based on share ownership, could be done by the sponsor or it could be delegated to each canal company to read the meters and control the deliveries. Either way, a central record of meter delivery will be necessary at the sponsor level. This information could be displayed on a web page accessible to all users.