

BOARD OF WATER RESOURCES
Meeting Minutes
DNR Regional Complex
319 North Carbonville Road
Price, UT
October 28, 2021
8:30 am

CHAIR BLAINE IPSON called the meeting to order at 10:32 am
All board members were present
DIRECTOR CANDICE HASENYAGER announced all staff present

APPROVAL OF THE MINUTES

JIM LEMMON moved to approve, CHARLES HOLMGREN seconded and all approved.

SPECIAL ITEMS

RE 427 Ashley Irrigation Company
Wayne Simper (president)

JAQUELINE PACHECO Ashley Central Canal is open and aligned and approximately 9.6 miles long. The canal is over 100 years old and in a 2017 seepage loss study, it showed that the canal loses nearly 6,000 acre feet of water annually. The purpose of the project is to pipe and partially pressurize approximately 9.6 miles of canal within and near Vernal City to reduce seepage, increase conveyance efficiencies, and improve safety. They received funding from NRCS.

Staff recommends the board recommit 7.7% of the project cost, up to \$1,000,000, and that the project be purchased at 0% interest over 25 years, with annual payments of approximately \$40,000.

WAYNE SIMPER we appreciate your time and patience as we work through the environmental process and the grants.

VICE-CHAIR KYLE STEPHENS why was the WaterSMART grant dropped?

WAYNE SIMPER it was just a 15% match and the NRCS grant was a 75% match so it was just a better way for us to save money.

CHAIR BLAINE IPSON there were no public comments received on this project.

RANDY CROZIER moved to approve the project, NORM JOHNSON seconded the motion and after a vote, all approved and the motion passed.

RE061, RE352, RE361 Ephraim Irrigation Company
Michael Larson (Company President)

MARISA EGBERT the tunnel project brings water from Emery County to Ephraim in Sanpete County. The company received funding from the Board in 2005 and 2017 to replace canals with pipelines (RE061 and RE361), and in 2016 to rehabilitate the Ephraim Tunnel (RE352). All these projects were to improve their

irrigation system. For the tunnel project, there were some issues with the contractor which they were not able to work out in mediation but were ultimately able to come to an agreement outside of that. Staff recommends the board amend all three purchase agreements to state that principal payments will be deferred for 2021, 2022, and 2023, and will resume on March 1, 2024. Interest payments will be due on March 1, 2021, 2022, and 2023.

Staff also recommends that the board amend the purchase agreement for RE361 to state that the balance owed will be returned over approximately 18 years with annual payments of \$62,500. The interest rate will remain as contracted.

MICHAEL LARSON we had a tough time with the contractor but we do have an agreement and if we can get this recommendation, it would work for us.

VICE-CHAIR KYLE STEPHENS does it present a problem regarding the late fees that the March 1, 2021 date has already passed?

SHALAIN DEBERNARDI no, we will work that out.

NORM JOHNSON how does Ephraim City come into this?

MICHAEL LARSON regarding the tunnel, the city has an agreement with the irrigation company to pay half of the tunnel costs. They have been kind enough to help out with some of the legal aspects as well.

JULIETTE TENNERT is the agreement written?

MICHAEL LARSON yes, it is contracted.

CHAIR BLAINE IPSON there were no public comments on this project.

JIM LEMMON moved to amend the three purchase agreements as outlined in staff's recommendation and to amend the purchase agreement for RE361 as outlined in staff's recommendation. WAYNE ANDERSEN seconded the motion and all were in favor and the motion passed.

RE440 Nibley Blacksmith Fork Irrigation Company

Jay Tuddenham (secretary), Sid Zollinger (president), Jim Jensen (board), Steven Wood (sunrise engineering)

RUSSELL HADLEY This project is located in Cache County. The purpose of the project is to pipe 2,200 feet of canal with 42-inch pipe. The diversion will be paid for by Trout Unlimited and Wildlife Resources through a Watershed Restoration Initiative Grant. It was also decided that the pipe size should be increased to 42 inches and the mesh grate will be replaced with a moving electric grate. Bids did come in double the original estimates as well.

Staff recommends the board re-authorize and commit 55.7% of the project cost from the Revolving Construction Fund, up to \$768,000 and that the project be purchased at 0% interest over 30 years, with annual payments of approximately \$25,600.

JAY TUDDENHAM the canal bank is very fragile and the mesh screen can get plugged up and we don't want the nearby houses to flood.

STEVEN WOOD we are looking forward to this liability going away as we get this taken care of and we will also have more water available to water users.

CHARLES HOLMGREN will the help from Fish and Wildlife and Trout Unlimited on the diversion structure help with the ability to divert water?

JAY TUDDENHAM yes, it is a safety concern for us and this will help.

CHARLES HOLMGREN do you have an acreage number for the acres you are irrigation residentially versus the total irrigation?

SID ZOLLINGER the majority is agricultural but out of 2,400 shares, there are only about 25-30 that are residential.

CHARLES HOLMGREN and the watering time recommendation didn't work out either because not irrigation during the day created confusion and mismanagement of the water.

JAY TUDDENHAM yes, when the water is there it has to be used because it is not like it is with a reservoir.

RUSSELL HADLEY they said that about 25 shares are used for lawn and garden water. They can irrigate one acre per share.

CHAIR BLAINE IPSON there were no public comments on this project.

CHARLES HOLMEGREN moved to approve the reauthorization and committal of the project, VICE-CHAIR

KYLE STEPHENS seconded the motion. All approved and the motion passed.

RE452 Lindon City

Adam Cowie (City Administrator), Ron Clegg (Consulting Engineer), Juan Garrido (Public Works Director), Van Broderick (Lindon City Councilmember)

MARISA EGBERT there are approximately 3,000 residential connections in Lindon City and about 250 secondary connections are already metered. The purpose of the project is to install about 2,600 secondary meters throughout Lindon City, mostly for residential connections, but also for commercial, industrial and institutional connections. The city is expecting to see up to 30% reduction through metering their secondary system connections, as well as lower operating costs. The city may come to the board for non-grant funding for their share of the cost.

Staff recommends the board authorize and commit 42.9% of the project cost, up to \$1,205,000, as a secondary meter grant.

ADAM COWIE we are grateful for the support from our team and others. We are looking forward to having the secondary meters installed and connected. The city shouldn't need to come back to the Board for funding of their cost share portion. The city has received money through the ARPA federal program.

MARISA EGBERT asked the city officials if there is additional grant money for the project with the ARPA funding.

ADAM COWIE no, that money has been provided to the city and is earmarked for sewer and water projects.

JULIETTE TENNERT thank you for being so forward thinking on this.

CHAIR BLAINE IPSON there were no public comments on this project.

WAYNE ANDERSEN moved to authorize and commit 42.9% of the project cost, up to \$1,205,000, as a secondary meter grant; CHARLES HOLMGREN seconded the motion. After a vote, all approved and the motion passed.

NEW APPLICATIONS

RE453 Huntsville South Bench Canal Company

RE 454 West Cache Irrigation Company

LAKE POWELL PIPELINE REPORT

ASSISTANT DIRECTOR JOEL WILLIAMS provided an update on the hydrology and newer concerns with the project.

DIRECTOR CANDICE HASENYAGER with the uncertainty, Washington County Water Conservancy District is aggressively working to pursue water conservation measures. They are working with cities to implement water efficiency ordinances as part of their water strategy.

WATER BANKING REPORT

Ryan Jones, Emily Lewis, Bill Butcher, Sue Bellagamba (Nature Conservancy), Jake Pressett, Dale Wilson, Kevin Cottner, Phil, Jordan Nielsen (Trout Unlimited)

EMILY LEWIS provided an update to the Water Banking project and application process.

WAYNE ANDERSEN how many acres are under that irrigation area?

EMILY LEWIS 8,500-10,500 acres

KEVIN COTTNER currently, we have a few internal things to work through but we believe this is a good concept. The legal side of things is the struggle so we will need some more time to finalize the project. We just want to ensure our board members all agree that it is the best thing for our shareholders. We want to make this work before irrigation season 2022

EMILY LEWIS I appreciate their willingness to work through these legal discussions because we are also learning a lot. We want to make sure everyone feels comfortable with what is going on.

VICE-CHAIR KYLE STEPHENS it is good to see this level of enthusiasm from those participating.

BILL BUTCHER I just wanted to say that we are working through this process and we have our shareholders to think about as well. We will support this and we want to get the water bank done.

JORDAN NIELSEN I have been working in the Colorado River Basin for several years and we have worked on several projects that have led to this next step of Water Banking in Utah. We have had some pretty tough negotiations and we appreciate the staff and the board for their consideration on this.

EMILY LEWIS presented the remainder of the key steps and processes of the application process.

RANDY CROZIER please try to have clean and clear documents/contracts to avoid any complications.

CHAIR BLAINE IPSON we are making good progress with this and we can anticipate that the December meeting will be when we have the final documents to look through and vote on.

EMILY LEWIS we have some documents submitted to you to vote on and then once that is approved, we can submit the actual application for the first pilot project.

CHAIR BLAINE IPSON there were no public comments on this report and there will be no board action taken in this meeting.

PROPOSED 2022 DATES

CHAIR BLAINE IPSON it is proposed that we have meetings on:
Jan 27, Mar 23, May 5, Jun 16, Aug 4, Sept 15, Oct 27, Dec 6.

There were no public comments on these dates.

JIM LEMMON moved to approve the dates for 2022 meetings and RANDY CROZIER seconded the motion. All approved and the motion passed.

DIRECTOR'S REPORT

DIRECTOR CANDICE HASENYAGER we are excited for the start of the new water year and how much moisture we have received (we are at 776% of normal). We have also had our Water Resources Water Plan sent out for public comment and we had a virtual open house on October 20th for that. The public comment period will end on November 15.

There were several interim legislative meetings last week. I presented at the Infrastructure and General Government Appropriation subcommittee meeting on White's Valley. I was able to discuss Bear River Development along with that. At the Natural Resource Ag Environment appropriations subcommittee meeting, Director Brian Steed was able to present on the ARPA funds. There was \$100 million appropriated to Water Resources: \$50 million set aside for secondary metering that we will discuss at the next meeting, \$25 million for Drinking Water, \$20 million going to Ag optimization projects, and \$5 million to GSL specific projects. Brian and I presented at the Natural Resources Ag and Environment Interim Committee meeting on drought and water conservation. We have been working with a number of stakeholders to see if we should submit an application for a Bureau of Reclamation (BOR) WaterSmart Basin Study that looks at an entire basin area. We would like to do a plan of study for the Great Salt Lake area. The plan is to submit this plan of study application this year and a larger basin study next year.

CHAIR BLAINE IPSON we are thankful for all the work the staff of the Division of Water Resources does for us and the State.

CRAIG JOHANSEN Strong's law (when we conserve water, something has to die) so we should keep that in mind with our projects.

JULIETTE TENNERT moved to adjourn the meeting, JIM LEMMON seconded the motion and all approved. The meeting ended at 12:22 pm.