A G E N D A

UTAH BOARD OF WATER RESOURCES

Department of Natural Resources
1594 W. North Temple
Salt Lake City, Utah

February 3, 2006

1:00 p.m.

I. CALL TO ORDER

II. APPROVAL OF MINUTES – December 9, 2005

III. CHAIR'S REPORT

IV. WATER SUPPLY REPORT

		County
V.	FEASIBILITY REPORTS	
	E193 Spanish Fork South Irr. Co.	Utah
	E185 Fountain Green Irr. Co.	Sanpete
	E181 North Creek Irr. Co.	Beaver
	E143 Huntsville South Bench Canal Co.	Salt Lake
	E177 Provo River Water Users Assoc.	Utah
VI.	COMMITTAL OF FUNDS	
	E060 Hooper Irr. Co.	Weber
VII.	SPECIAL ITEMS	
	D968 Kanab Irr. Co. (Recommittal)	Kane
	E105 West Panguitch Irr. & Res. Co. (Amendment)	Garfield
	E187 New Escalante Irr. Co. (Withdrawal)	Garfield
	L499 & L528 East Carbon City (Amendment)	Carbon
	E183 Parowan South Fields, Inc. (Feas. Rpt. & Comm. of Funds)	Iron
VIII.	DAM SAFETY CONSTRUCTION FUNDING	
	C012 Enterprise Dam	Washington

IX. DIRECTOR'S REPORT

X. ADJOURNMENT

BRIEFING MEETING AGENDA

UTAH BOARD OF WATER RESOURCES

Department of Natural Resources
1594 W. North Temple
Salt Lake City, Utah

February 3, 2006

9:00 a.m.

I.	WELCOME/CHAIR'S REPORT	Chairman Flint
II.	LEGISLATIVE REPORT	Eric Millis
III.	BUDGET HEARING	Chairman Flint
IV.	7-BASIN STATES' MEETINGS	Larry Anderson
V.	DISCUSSION OF PROJECTS	Board/Staff
III.	OTHER ITEMS	

BOARD OF WATER RESOURCES

Revolving Construction Fund

Funding Status

February 3, 2006

		Funds Available for Projects This FY				$	7,300,000
		Projects Contracted This FY					
	1	Piute Res & Irr Co (Piute Dam; Amend)	C022	Grant **	142,500		
	2	Piute Res & Irr Co (Piute Dam; Amend)	C022	Loan **	7,500		
	3	DMAD Co	C031	Grant **	2,166,000		
		Total Funds Contracted				$	2,316,000
		Funds Balance				$	4,984,000
		Projects with Funds Committed					
*	1	Kanab Irr Co	D968		$ 150,000		
	2	Kays Creek Irr Co (Adams Dam; Amend)	C001	Grant **	4,000		
	3	Bryner-Ploutz Ditch Co	E164		116,000		
	4	Deseret Irr Co	E179		88,000		
	5	San Juan WCD (Amend)	C026	Grant **	780,000		
	6	Utland Ditch Co	E182		270,000		
	7	Chester Irr Co (Amend)	E138		16,000		
	8	M&M Irr Co	E136		976,000		
*	9	Enterprise Res & Cnl Co (Lower Ent Dam)	C012	Grant **	380,000		
*	10	Enterprise Res & Cnl Co (Lower Ent Dam)	C012	**	20,000		
*	11	Parowan South Field, Inc	E183		328,000		
*	12	W. Panguitch Irr & Res Co (Amend)	E105		53,000		
		Commitments for Dam Safety Studies		**	136,000		
		Total Funds Committed				$	3,317,000
		Funds Balance				$	1,667,000
		Projects Authorized					
	1	Deseret Irr Co	E056		$ 312,000		
	2	Hi-Country Estates Homeowners Assn	E127		406,000		
	3	Lincoln Culinary Water Corp	E165		276,000		
	4	Cub River Irr Co	E173		680,000		
	5	Circleville Irr Co	E166		115,000		
	6	Dry Gulch Irr Co	E176		221,000		
*	7	North Creek Irr Co	E181		288,000		
*	8	Fountain Green Irr Co (Well)	E185		221,000		
*	9	Spanish Fork South Irr Co	E193		29,500		
		Total Funds Authorized				$	2,549,000
		Remaining Funds Available				$	(882,000)

** Dam Safety Projects

BOARD OF WATER RESOURCES

Cities Water Loan Fund

Funding Status

February 3, 2006

Funds Available for Projects This FY			$	4,931,000
Bonds Closed This FY				
Total Bonds Closed			$	-
Funds Balance			$	4,931,000
Projects with Funds Committed				
1 Centerville City	E155	156,000		
2 Kamas City	L550	$ 1,879,000		
Total Funds Committed			$	2,035,000
Funds Balance			$	2,896,000
Projects Authorized				
1 Town of Mantua	L553	508,000		
2 Corinne City	L555	326,000		
3 Lindon City	L554	256,000		
Total Funds Authorized			$	1,090,000
Remaining Funds Available			$	1,806,000

BOARD OF WATER RESOURCES

Conservation & Development Fund

Funding Status

February 3, 2006

	Funds Available for Projects This FY			$	18,902,000
	Projects Contracted/Bonds Closed This FY				
	1 Leeds Water Co	E132	1,006,000		
	2 Center Creek Culinary Water Co	E020	877,000		
	3 Davis & Weber Counties Canal Co	E189	1,807,000		
	Total Funds Contracted/Closed			$	3,690,000
	Funds Balance			$	15,212,000
	Projects with Funds Committed				
	1 Lake Creek Irr Co (Ph 1)	E102	$ 22,500		
	2 St George & Washington Canal Co (Ph 1&2)	E129	6,600,000		
	3 Centerfield Town	L547	255,000		
	4 Gunnison City (Amend)	E088	490,000		
	5 Elwood Town	L549	1,530,000		
*	6 Hooper Irr Co (Phase II)	E060	595,000		
	Total Funds Committed			$	9,493,000
	Funds Balance			$	5,719,000
	Projects Authorized				
	1 Strawberry High Line Canal Co	D976	$ 3,187,000		
	2 Uintah WCD (Island Ditch)	E036	342,000		
	3 Richland Nonprofit Water Co	E087	335,000		
	4 Lake Creek Irr Co (Ph 2)	E102	300,000		
	5 New Escalante Irr Co	E077	300,000		
	6 St George & Washington Canal Co (Ph 3&4)	E129	4,400,000		
	7 Ashley Valley Res Co	E145	1,489,000		
*	8 Huntsville South Bench Canal Co	E143	1,358,000		
*	9 Provo River Water Users Association	E177	60,000,000		
	Total Funds Authorized			$	71,711,000
	Remaining Funds Available			$	(65,992,000)

BOARD OF WATER RESOURCES

February 3, 2006

		ADDITIONAL ACTIVE PROJECTS		Fund	Est. Board Cost	Total Cost
		Projects Under Investigation				
	1	Keith Johnson	D996	RCF	$ 37,500	$ 50,000
	2	Mayfield Irr Co	E067	RCF	187,500	250,000
	3	Rock Dam Irr Co	E083	RCF	37,500	50,000
	4	Downs Ditch Water Co	E139	RCF	281,250	375,000
	5	Co-Op Farm Irr Co	E140	RCF	374,250	499,000
	6	Anderson, Felt, Winters Ditch Co	E141	RCF	148,500	198,000
	7	Felt, Peterson, Slater Ditch Co	E142	RCF	148,500	198,000
	8	Emmertsen Irr Co	E144	RCF	86,250	115,000
	9	Huntsville Irr Co	E146	RCF	627,000	836,000
	10	Vernon Irr Co	E158	RCF	37,500	50,000
	11	West Cache Irr Co	E160	RCF	150,000	200,000
	12	Loss Creek Irr Co	E167	RCF	111,000	524,000
	13	Kingston Irr Water Co	E169	RCF	85,000	240,000
	14	Greenwich Water Works Co	E171	RCF	112,500	250,000
	15	Bullion Creek Irr Co	E172	RCF	75,000	100,000
	16	Fountain Green Irr Co (Birch Creek)	E174	RCF	30,000	40,000
	17	East Panguitch Irr Co	E175	RCF	375,000	500,000
	18	Twin Creek Irr Co	E180	RCF	300,000	400,000
	19	Otter Creek Res Co	E184	RCF	180,000	240,000
	20	Fountain Green Irr Co (Flow Augment)	E186	RCF	75,000	100,000
*	21	Providnece-Logan Irr Co	E191	RCF	350,000	450,000
*	22	Melville Irr Co	E192	RCF	125,000	159,000
*	23	Fremont Irr Co	E194	RCF	325,000	800,000
	24	Parowan City	E121	CWL	158,250	211,000
	25	Town of Vernon	L551	CWL	189,000	252,000
	26	Marysvale Town	L552	CWL	131,250	250,000
	27	Gunlock SSD	E188	CWL	502,500	670,000
	28	Woodruff Irrigating Co	D680	C&D	600,000	800,000
	29	Kane County WCD	D828	C&D	1,500,000	2,000,000
	30	Uintah WCD (Leota Bench)	D944	C&D	750,000	1,000,000
	31	Gunnison Butte Mutual Irr Co	E004	C&D	10,500,000	14,000,000
	32	Hyrum Blacksmith Fork Irr Co	E047	C&D	1,230,000	1,640,000
	33	East Juab County WCD	E071	C&D	375,000	500,000
	34	Ferron Canal & Res Co	E082	C&D	2,625,000	3,500,000
	35	Whiterocks Irr Co	E084	C&D	1,500,000	2,000,000
	36	Logan, Hyde Park, Smithfield Canal Co	E096	C&D	1,301,250	1,735,000
	37	Town of Goshen	E109	C&D	240,000	320,000
	38	Weber-Box Elder Conservation Dist	E113	C&D	9,750,000	13,000,000
	39	Cottonwood Creek Consolidated Irr Co	E125	C&D	3,750,000	5,000,000
	40	Alton Farmers Assoc	E128	C&D	1,650,000	2,200,000
	41	Huntington-Cleveland Irr Co	E130	C&D	21,299,000	66,090,000
	42	Fremont Irr Co	E131	C&D	1,500,000	2,000,000
	43	Grantsville Irr Co	E150	C&D	321,000	428,000
	44	Dixie Deer SSD	E170	C&D	187,500	250,000
*	45	Magna Water an Imp Dist	E190	C&D	7,100,000	21,000,000
*	46	Wellsville Mendon Conservation Dis	E195	C&D	293,000	511,500
*	47	Emigration Imp Dist	E196	C&D	2,600,000	2,700,000
		Subtotal			$ 74,312,000	$ 148,681,500

BOARD OF WATER RESOURCES

February 3, 2006

Authorized or Committed Projects						
1	Davis & Weber Counties Cnl Co (Ph 4)	D674	C&D	$ 10,379,000	$ 12,211,000
2	Weber Basin WCD (Secondary Irr, Ph 3-5)	E029	C&D	27,721,000	32,613,000
3	Davis & Weber Counties Cnl Co(Cnl Rehab)	E035	C&D	13,691,000	16,107,000
4	Hooper Irr Co (Press Irr, Ph 2-4)	E060	C&D	11,772,000	13,850,000
5	City of Cedar Hills	E099	C&D	31,200	31,200
	Subtotal			$ 63,594,200	$ 74,812,200
	TOTAL			$ 137,906,200	$ 223,493,700

INACTIVE PROJECTS

Long Term Large Water Conservation Projects		
1	Sanpete WCD (Narrows Dam)	D377
2	Wayne County WCD	D494
3	Cedar City Valley Water Users	D584
4	Bear River WCD	D738
5	Upper Sevier River WCD	E098
6	Central Utah WCD (Prepay FY98,99,00)	D960

BOARD OF WATER RESOURCES

Feasibility Report

Revolving Construction Fund

Appl. No.: ***E-193***
Received: 12/13/05
Approved: 2/3/06

To be Presented at the February 3, 2006 Board Meeting

SPONSOR: ***SPANISH FORK SOUTH IRRIGATION COMPANY***

President: Gary Galt

LOCATION: The proposed project is located about three miles southwest of Spanish Fork in Utah County.

EXISTING CONDITIONS & PROBLEMS: The sponsor presently delivers about 8,000 acre-feet of river water, 5,000 acre-feet of Strawberry Valley Project water, and 1,800 acre-feet of CUP water through nine miles of earth and concrete-lined canals to flood irrigate about 6,800 acres. The sponsor's large canal feeds three smaller canals west of I-15. One of the smaller canals, the 12-cfs Argyle Canal which serves 350 acres, was constructed nearly 50 years ago and the concrete has failed. The canal leaks extensively along a 2,100-foot section, flooding the adjacent farmland and resulting in crop production losses. In addition to losing about 60 acre-feet annually from seepage, the sponsor estimates it spends around $500 annually in canal maintenance.

The sponsor obtained a $30,000 grant from Strawberry River Water Users Association (SRWUA) and hired a contractor to replace 600 feet of concrete canal lining, 26 turnout structures, and one check gate in the Argyle Canal this past fall.

PROPOSED PROJECT: The sponsor is requesting financial assistance from the board to replace the remaining 1,500 feet of concrete-canal lining, and install 64 turnout outlets and 18 check gates. It also requests the work

completed last fall be counted towards the grant portion of the project.

The project fits in Prioritization Category 3 (agricultural project that will provide significant economic benefit to area).

COST ESTIMATE: The following cost estimate was prepared by staff and includes the work already completed:

Item	Description	Quantity	Unit Price	Amount
1.	Concrete Canal Lining	2,100 LF	$22.05	$46,300
2.	Turnout Outlets	90 EA	90	8,100
3.	Check Gates	19 EA	400	7,600
Construction Cost				$62,000
Legal and Administrative				3,000
Design and Construction Engineering				5,000
TOTAL				$70,000

COST SHARING & REPAYMENT: The recommended cost sharing and repayment are:

Agency	Cost Sharing	% of Total
Board of Water Resources	$ 29,500	42.1%
SRWUA Grant	30,000	42.9
Sponsor	10,500	15.0
TOTAL	$ 70,000	100%

If the board authorizes the project, it is suggested it be purchased with annual payments of $2,950 at 0% interest over approximately 10 years.

FINANCIAL FEASIBILITY: Benefits from installing the project will be the value of 60 acre-feet of agricultural water annually, plus savings in ditch maintenance costs:

Annual Benefit of Water Savings	$4,500
Annual Reduction of Ditch O&M	500
Less Estimated Project O&M	(200)
ANNUAL NET BENEFIT	$4,800

With the proposed board plus grant share of the project being 85%, it is suggested the sponsor's repayment ability be calculated as approximately 85% of the annual benefit, or about $4,100 per year. This is equivalent to about $11.71 per acre.

BENEFITS: The proposed project will reduce ditch maintenance and save an estimated 60 acre-feet annually.

PROJECT SPONSOR: Spanish Fork South Irrigation Company was organized in 1881, incorporated in 1942, and is presently registered in good standing with the state Department of Commerce. The company serves 450 shareholders irrigating about 6,800 acres and holding 3,250 shares in the Spanish Fork River (a share representing about 2.25 acre-feet/year); in addition, 4,720 acre-feet in the Strawberry Valley Project is diverted after the Spanish Fork River flow has receded.

From 1960 to 1983 the sponsor received funding from the board on five occasions for canal lining projects totaling about $202,000, which has been returned. In 2000 the sponsor received $209,000 to replace 6,000 feet of canal with pipe. The project is presently being paid off at $9,300 per year with the last payment due in 2020.

WATER RIGHTS & SUPPLY: The sponsor's water rights in the Spanish Fork River are defined in the McCarty Decree of 1899. In addition, the sponsor uses water from the Strawberry Valley Project. Between these two sources the sponsor delivers about 13,000 acre-feet annually. It also rents about 1,800 acre-feet of CUP water annually.

EASEMENTS: The sponsor will use an existing canal easement.

ENVIRONMENTAL: The proposed project is not expected to have any detrimental effects on the environment beyond the usual dust and noise of the construction phase.

WATER CONSERVATION: The project will develop approximately 60 acre-feet annually.

SPONSOR'S RESPONSIBILITIES: If the board authorizes the proposed project, the sponsor must do the following before construction can begin:

1. Obtain all easements, rights-of-way, and permits required to construct, operate, and maintain the project.

2. Pass a resolution by the appropriate (as defined in the company's Articles of Incorporation and Bylaws) majority of company stock authorizing its officers to do the following:

a. Assign properties and easements 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.

4. Have an attorney give the Board of Water Resources a written legal opinion that:

a. 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.

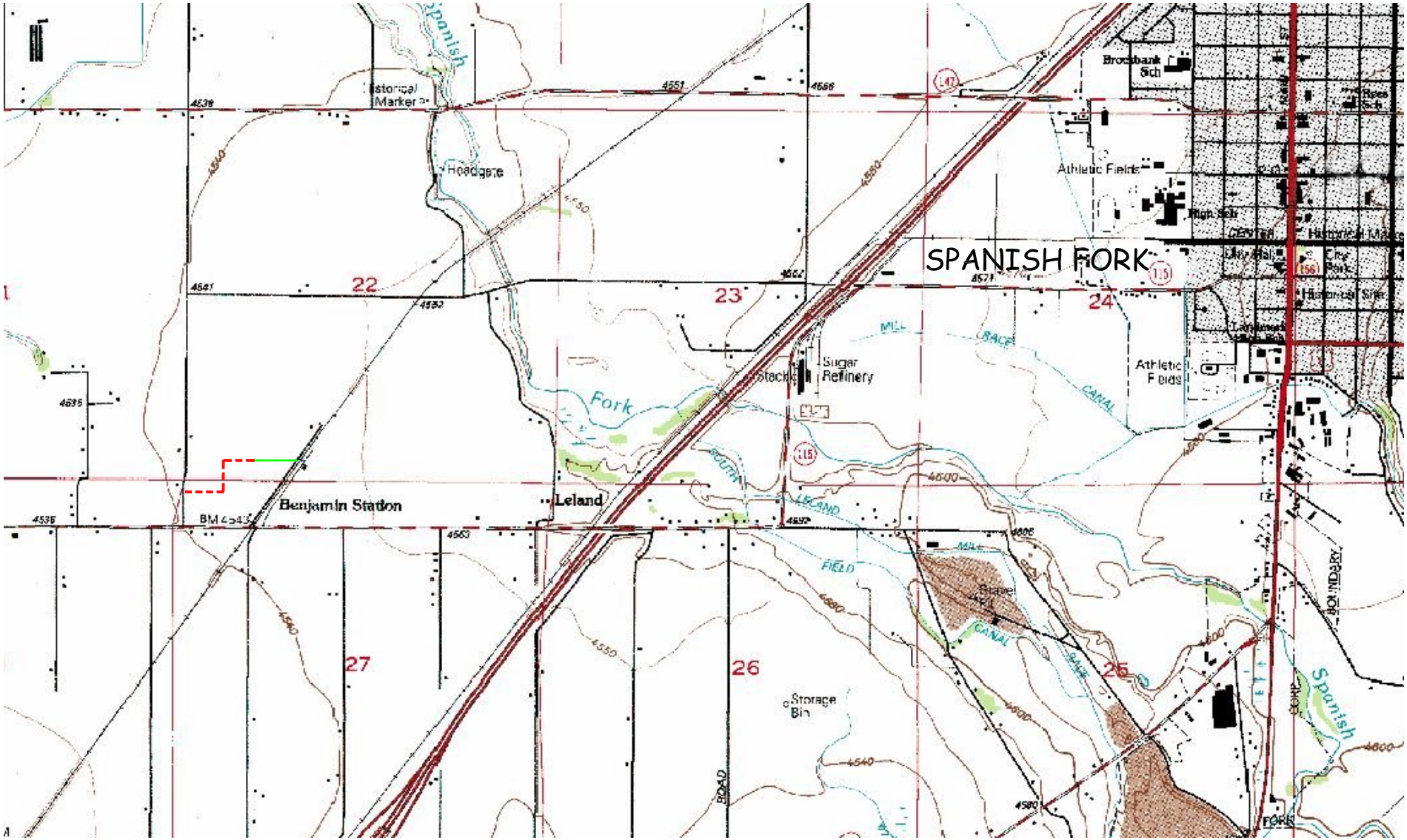
b. The company's water rights applicable to the project are unencumbered and legally transferable to the Board of Water Resources, and that they cover the land to be irrigated by the project.

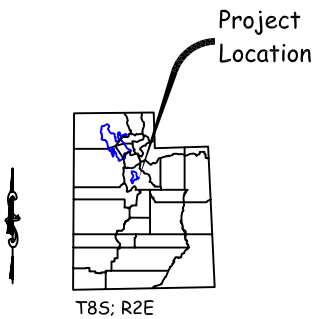
In lieu of an attorney's opinion, the company may obtain a title insurance policy in the name of the Board of Water Resources for the easements, rights-

of-way, land, and water rights necessary for the project.

5. Have a professional engineer registered in the State of Utah prepare plans and specifications and obtain approval of them from the Division of Water Resources.

PROJECT CONTACT PEOPLE:	President:	Gary Galt 7562 South 2450 West Spanish Fork, UT 84660 Phone: (801) 798-7983
	Secretary:	Greg Price 4094 South 3600 West Spanish Fork, UT 84660 Phone: (801) 798-1702
	Treasurer:	Michael L. Hansen 3622 West 7300 South Spanish Fork, UT 84660 Phone: (801) 798-2663





Newly Installed Concrete Canal Lining

Proposed Concrete Canal Lining

Scale in Feet

0 2000 4000

SPANISH FORK SOUTH IRRIGATION COMPANY

Concrete Canal Lining Project

Utah County

BOARD OF WATER RESOURCES

Feasibility Report

Revolving Construction Fund

Appl. No.: ***E-185***
Received: 9/27/05
Approved: 10/28/05

To be Presented at the February 3, 2006 Board Meeting

SPONSOR: ***FOUNTAIN GREEN IRRIGATION COMPANY***

Chairman: Robert Hansen

LOCATION: The proposed project is located about half a mile north of Fountain Green in Sanpete County.

EXISTING CONDITIONS & PROBLEMS: The sponsor provides pressurized water for sprinkle irrigation of farmland within and around the town of Fountain Green. The system comprises two divisions, Big Springs (2,300 acres) and Birch Creek (1,200 acres).

Irrigation water for the sponsor's system comes primarily from three wells, as well as Big, Birch Creek, and Pole Canyon Springs west of town. Although the water rights of the combined spring flows are 44 cfs, drought conditions have greatly reduced spring flow, forcing increased reliance on well water. The three wells are in the lower, east portion of town and must be pumped into the system at considerable cost. In addition, all three wells are old and inefficient; two of them discharging into an open ditch, collection box, and booster pump.

PROPOSED PROJECT: The sponsor is requesting technical and financial assistance from the board to design and construct a new well at a location near the upper end of the system, about two miles north of the center of town. The sponsor has already purchased a parcel of land suitable for installation of the well and arranged easements with surrounding property owners for access during construction. The well will be tied into the existing system at the upper end of town.

Division staff will provide design and construction supervision services.

The project fits in Prioritization Category 3 (agricultural project that will provide significant economic benefit to area).

COST ESTIMATE: The following cost estimate was prepared by staff:

Item	Description	Quantity	Unit Price	Amount
1.	Test Well	500 FT	$75	$ 37,500
2.	E-logging	LS	5,000	5,000
3.	Production Well	500 FT	175	87,500
4.	Pump & Controls	LS	64,000	64,000
5.	Well Abandonment	LS	12,000	12,000
Construction Cost				$206,000
Contingencies				21,000
Legal and Administrative				3,000
Design and Construction Engineering				30,000
TOTAL				$260,000

COST SHARING & REPAYMENT: The recommended cost sharing and repayment are:

Agency	Cost Sharing	% of Total
Board of Water Resources	$221,000	85%
Sponsor	39,000	15
TOTAL	$260,000	100%

If the board authorizes the project, it is suggested it be purchased with annual payments of $11,050 at 0% interest over approximately 20 years.

FINANCIAL FEASIBILITY: The project will result in annual savings of approximately $3,400 to company shareholders, mainly from reduction in operation and maintenance costs. The sponsor will increase water rates to shareholders in the Big Springs division to meet the payment schedule, and requests a purchase period of 20 years. This is equivalent to about $4.80 per acre in the Big Spring Division.

BENEFITS: The proposed new well will allow the sponsor to maximize utilization of its water rights and reduce

power costs. The new well will replace the three existing wells.

PROJECT SPONSOR: The Fountain Green Irrigation Company was originally incorporated in 1903 and is presently registered in good standing with the state Department of Commerce. There are 1,688 shares of stock in the company, 1,485 of which are in the Big Springs Division with an assessment this past year of $26.50 per share.

The sponsor received financial assistance from the board eight times in the past, consisting of three canal-lining projects, a sprinkle irrigation system, a flood damage repair project, and improvements to the Birch Creek Division and Big Springs Division irrigation systems. All financial assistance has been returned except for the last project, which is being repaid with annual payments of approximately $9,200 through 2007.

WATER RIGHTS & SUPPLY: The sponsor has decreed rights of 44 cfs from Big Springs (WRNUM 65-3319), as well as Birch Springs and Pole Canyon Springs (WRNUM 65-3320), which are covered by the Cox Decree. In addition, the sponsor has decreed storage rights of 255 acre-feet, and well rights (WRNUM 65-466, 65-1081, 65-2527) for a total of 1.67 cfs. Water rights from the existing three wells will be transferred to the new well.

EASEMENTS: The sponsor has purchased a parcel adjacent to the existing pressure line at the north end of town suitable for construction of the proposed well, and has obtained temporary access agreements with neighboring property owners for equipment access during well drilling and construction.

ENVIRONMENTAL: No lasting environmental impacts are anticipated.

WATER CONSERVATION: The sponsor has a water conservation plan in force that has been reviewed and approved by staff.

SPONSOR'S RESPONSIBILITIES: If the board authorizes the proposed project, the sponsor must do the following before construction can begin:

1. Obtain a well drilling permit and approval of change in point of diversion from the State Engineer’s office.

2. Obtain all easements, rights-of-way, and permits required to construct, operate, and maintain the project.

3. Pass a resolution by the appropriate (as defined in the company’s Articles of Incorporation and Bylaws) majority of company stock authorizing its officers to do the following:

   a. Assign properties and easements 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.

4. 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.

5. Have an attorney give the Board of Water Resources a written legal opinion that:

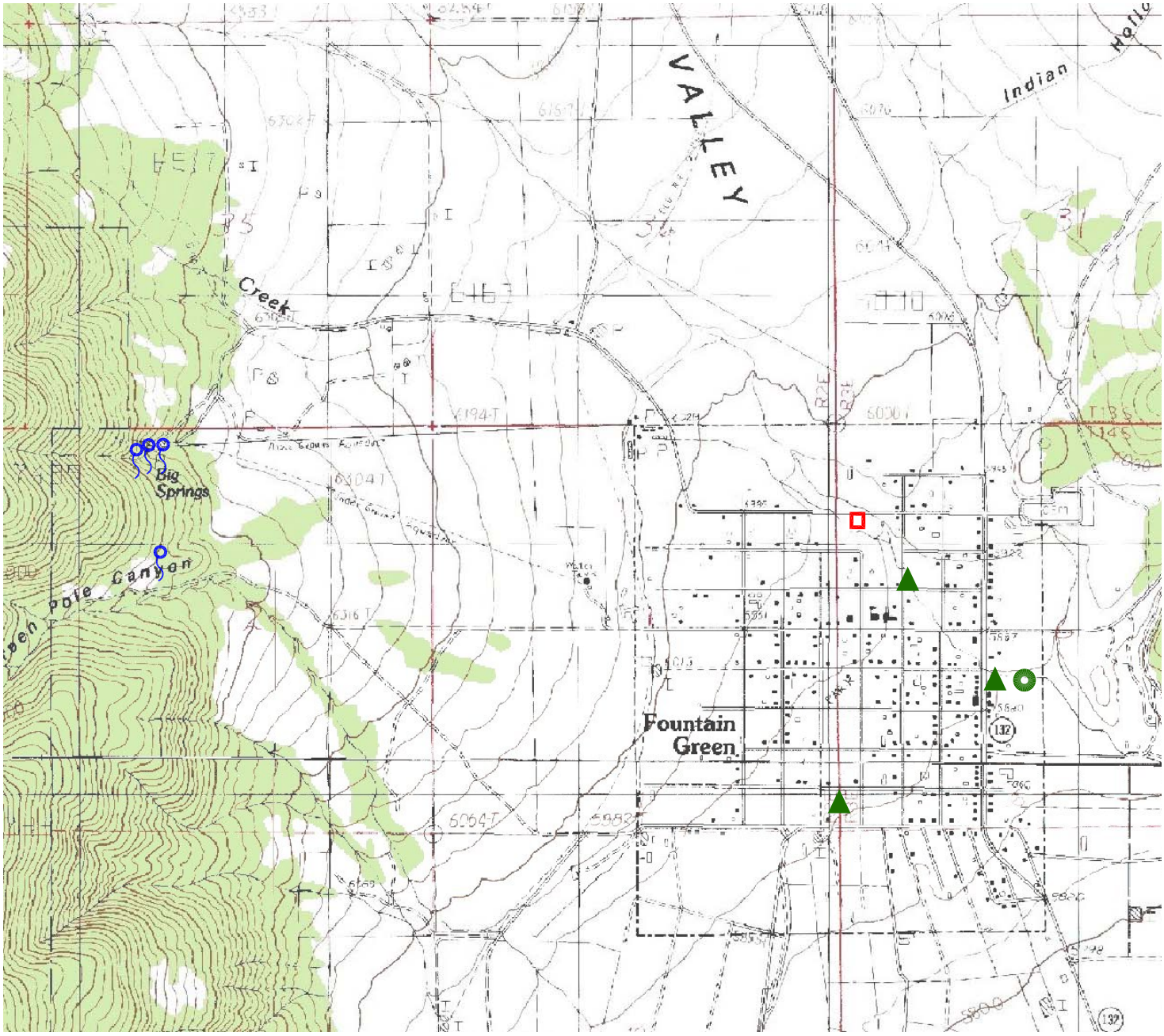
   a. The company owns all easements and rights-of-way for the project, as well as the land on which the project is located, and that title to these easements, rights-of-way, and the project itself can be legally transferred to the Board.

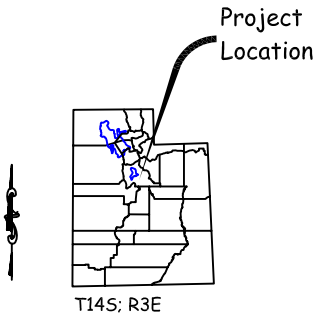
   b. The company’s water rights applicable to the project are unencumbered and legally transferable to the Board of Water Resources, and that they cover the land to be irrigated by the project.

In lieu of an attorney's opinion, the company may obtain a title insurance policy in the name of the Board of Water Resources for the easements, rights-of-way, land, and water rights necessary for the project.

6. Obtain approval of final plans and specifications from the Division of Water Resources.

PROJECT CONTACT PEOPLE:	President:	Robert Hansen P.O. Box 164 Fountain Green, UT 84632 Phone: (435) 445-3541
	Secretary:	Mary Gilgen P.O. Box 164 Fountain Green, UT 84632 Phone: (435) 445-3566





Existing Springs

Existing Irrigation Well (To Be Abandoned)

Existing Booster Station

Proposed Well

FOUNTAIN GREEN IRRIGATION COMPANY
Well Replacement Project
Sanpete Co.

Scale in Feet

0 1000 2000 4000

BOARD OF WATER RESOURCES

Feasibility Report

Revolving Construction Fund

Appl. No.: ***E-181***
Received: 8/31/05
Approved: 9/30/05

To be Presented at the February 3, 2006 Board Meeting

SPONSOR: ***NORTH CREEK IRRIGATION COMPANY***

President: Rodney Green

LOCATION: The proposed project is located at Blue Lake Dam in Fishlake National Forest, approximately 20 miles northeast of the City of Beaver in Beaver County.

EXISTING CONDITIONS & PROBLEMS: Water is diverted from North Creek to provide irrigation water to about 2,900 acres of farmland northeast of Beaver. The only storage on the system is Blue Lake, a 400 acre-foot reservoir located on Blue Lake Creek, a tributary to North Creek.

The dam (classified as "Moderate Hazard" by the State Engineer) was constructed in 1925 and enlarged in 1951 to its present size. A concrete spillway installed at that time is deteriorating badly and will not pass flows required by current dam safety regulations.

PROPOSED PROJECT: The sponsor is requesting financial assistance from the board to replace the deteriorating spillway at Blue Lake Dam. Technical assistance is being provided by Wall Engineering of Fillmore.

The project fits in Prioritization Category 3 (agricultural project that provides a significant economic benefit for the local area).

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

Item	Description	Quantity	Unit Price	Amount
1.	Mobilization	LS	$30,000	$ 30,000
2.	Access & Restoration	LS	14,000	14,000
3.	Remove Existing Spillway	LS	20,000	20,000
4.	Earthwork	LS	20,000	20,000
5.	Concrete Spillway	LS	170,000	170,000
Construction Cost				$ 254,000
Contingencies				25,000
Legal and Administrative				6,000
Design and Construction Engineering				35,000
TOTAL				$ 320,000

COST SHARING & REPAYMENT:

The recommended cost sharing and repayment are:

Agency	Cost Sharing	% of Total
Board of Water Resources	$288,000	90%
Sponsor	32,000	10
TOTAL	$320,000	100%

If the board authorizes the project, it is suggested it be purchased with annual payments of $11,600 at 0% interest over approximately 25 years.

The sponsor has indicated the company has incurred higher than normal expenses due to flood damage and other emergency repairs and replacements on its system, and would have difficulty providing more local cost share.

FINANCIAL FEASIBILITY:

Company shareholders will receive no additional monetary benefit from the project. The sponsor requests the purchase period be as long as possible.

The proposed $11,600 annual payment equals $6.00 per year for each of the 1,934 company shares. Normal assessments have been around $5.00 per share annually.

BENEFITS:

The proposed project will replace an undersized and deteriorating spillway with one that satisfies current state Dam Safety standards. The sponsor will be able to continue to use its reservoir.

PROJECT SPONSOR:	North Creek Irrigation Company was incorporated in 1922 and is currently registered in good standing with the state Department of Commerce. Its 55 shareholders irrigate approximately 2,900 acres. The sponsor has not received financial assistance from the board in the past.
WATER RIGHTS & SUPPLY:	The sponsor holds water right numbers 77-3, 6, 8, 28, and 178 for diversion from North Creek to irrigate 2,899.1 acres. Water right 77-28 also includes a storage right of 406 acre-feet in Blue Lake reservoir.
EASEMENTS:	Blue Lake is located in Fishlake National Forest. The sponsor will need to obtain permits from the Forest Service to open up an access road to the dam for project construction.
ENVIRONMENTAL:	No long-term environmental impacts are foreseen. Access will need to be made to the dam; however, it will be reclaimed when the project is completed.
WATER CONSERVATION:	The sponsor will be required to prepare a water management and conservation plan for its service area and have it approved by staff.
SPONSOR'S RESPONSIBILITIES:	If the board authorizes the proposed project, the sponsor must do the following before construction can begin: 1. Obtain all easements, rights-of-way, and permits required to construct, operate, and maintain the project. 2. Pass a resolution by the appropriate (as defined in the company's Articles of Incorporation and Bylaws) majority of company stock authorizing its officers to do the following: a. Assign properties and easements 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.

4. Have an attorney give the Board of Water Resources a written legal opinion that:

a. 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.

b. 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.

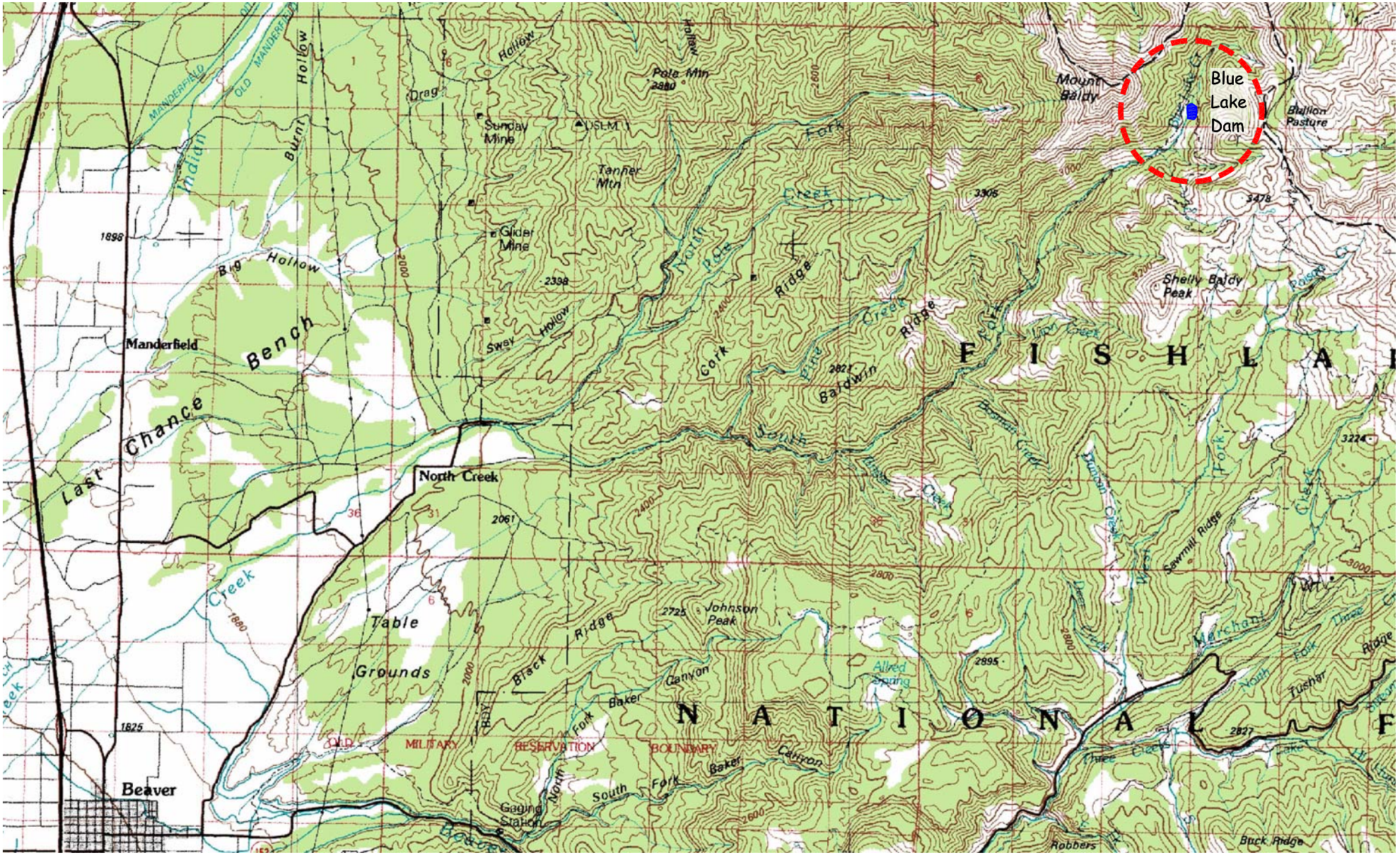
In lieu of an attorney's opinion, the company may obtain a title insurance policy in the name of the Board of Water Resources for the easements, rights-of-way, land, and water rights necessary for the project.

5. Obtain approval of final plans and specifications from the Division of Water Resources and Division of Water Rights.

6. Prepare a water management and conservation plan for its service area, and obtain approval of it from the Division of Water Resources.

PROJECT CONTACT PEOPLE:	President:	Rodney Green P.O. Box 773 Beaver, UT 84713 Phone: (435) 438-5685

Secretary:	Brent Baldwin Box 203 Beaver, UT 84713 Phone: (435) 438-2366
Engineer:	Wall Engineering P.O. Box 39 Fillmore, UT 84631 Phone: (435) 864-7503



Scale in Feet

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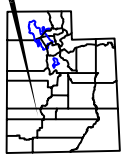
Project Loctaion



T28S, R5W;
Sec 4 SLB&M

NORTH CREEK IRRIGATION COMPANY

Blue Lake Dam Spillway Replacement

Beaver County

BOARD OF WATER RESOURCES

Feasibility Report

Conservation and Development Fund

Appl. No.: ***E-143***
Received: 4/28/04
Approved: 7/9/04

To be Presented at the February 3, 2006 Board Meeting

SPONSOR: ***HUNTSVILLE SOUTH BENCH CANAL COMPANY***

President: Gregory Graves

LOCATION: The proposed project is located south of Pineview Reservoir, near Huntsville in Weber County.

EXISTING CONDITIONS & PROBLEMS: The sponsor provides irrigation water to about 230 agricultural acres and 27, two-acre residential lots. Approximately 115 acres are sprinkle irrigated and the remainder are flood irrigated.

Early season water comes from Bennett and Bally Watt Creeks; however, the main source is 600 acre-feet of Weber Basin water released from Causey Reservoir.

The more than 3.5 mile long Huntsville South Bench Canal was concrete lined in 1967; that has since broken up. The canal has failed in several places through the years, prompting the sponsor to make emergency repairs and resulting in a mismatch of pipe and temporary liners approximately 5,500 feet in length. The sponsor fears continued use of the canal in its present state will result in additional failures, prompting safety and liability concerns as well as disruption of its water supply.

It has been estimated that approximately 375 acre-feet of the water diverted into the ditch is lost through seepage.

PROPOSED PROJECT: The sponsor is requesting financial assistance from the board to replace the Huntsville South Bench Canal

with approximately 17,500 feet of 24-inch HDPE pipe and 17 turnout structures.

Thicker walled pipe is to be used in the proposed project in anticipation of an area-wide gravity pressurized irrigation system possibly being installed. Technical assistance is being provided by J-U-B Engineers of Kaysville.

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

Item	Description	Quantity	Unit Price	Amount
1.	Mobilization	LS	$10,000	$ 10,000
2.	Connection to Existing Structures	LS	5,000	5,000
3.	24-inch HDPE Pipe	17,500 LF	57.20	1,001,000
4.	Backfill Material	LS	30,000	30,000
5.	Road Crossing	LS	6,000	6,000
6.	Turnouts	17 EA	1,500	25,500
7.	Drains	LS	3,500	3,500
8.	Remove Existing Liner	LS	87,000	87,000
Construction Cost				$1,168,000
Contingencies				117,000
Legal and Administrative				15,000
Design and Construction Engineering				130,000
TOTAL				$1,430,000

COST SHARING & REPAYMENT: The recommended cost sharing and repayment are:

Agency	Cost Sharing	% of Total
Board of Water Resources	$1,358,000	95%
Sponsor	72,000	5
TOTAL	$1,430,000	100%

If the board authorizes the project, it is suggested it be purchased at 1% interest over 30 years with annual payments of $52,620.

The sponsor requests a cost share of $28,000, which is approximately 2% of the project cost ($100 per

share). Changing the cost share would result in a loan amount of $1,402,000 with annual payments of $54,325.

The sponsor is in the process of applying for a grant through the NRCS that could be available later in the year. If a grant is obtained it will be used to reduce the amount obtained from the board.

ECONOMIC FEASIBILITY: A proposed project is economically feasible if the benefits derived from the project over its life exceed the costs. Agricultural benefits from the proposed project include approximately $15,000 in increased crop yield and $1,000 in reduced O&M costs annually. If it is assumed the area will convert to M&I use over the next 30 years at a 3.5% growth rate (higher than Weber County's projected annual growth rate of 2%, but still conservative given the characteristics of the area) and using Weber Basin Water Conservancy District's current contract price for culinary water, the benefit/cost ratio is 1.0.

FINANCIAL FEASIBILITY: It is estimated that agricultural benefits and O&M savings from the project amount to approximately $16,000 per year. This is not enough to make the proposed annual payments to the board.

The sponsor has requested equal payments throughout the purchase period rather than payments increasing based on projected growth. The proposed payment of $52,620 is equivalent to $184.31 per share. This rate is very high for an agricultural project but reasonable for residential secondary irrigation into which the service area will eventually develop.

Shareholders currently pay between $25 and $30 per share in annual assessments.

BENEFITS: Replacing the existing canal with pipe will allow the sponsor to continue to supply water to its shareholders, reduce operation and maintenance costs, and ease concerns over ditch failure. It will also eliminate approximately 375 acre-feet of seepage loss each year, which will be used on shareholders' land.

PROJECT SPONSOR: Huntsville South Bench Canal Company was incorporated in 1929 and is registered in good standing with the

state Department of Commerce. The sponsor's 285.5 shares of stock are held by 40 shareholders. Sinclair Oil, owner of Snow Basin ski resort, is the largest shareholder with 99 shares of stock.

The sponsor received around $42,000 in assistance from the board in 1967 to concrete-line the canal, which has been repaid.

WATER RIGHTS & SUPPLY: The sponsor has rights (35-7307 and 7308, as described in the Ogden River decree) to divert water from Bennett and Bally Watts Creeks. It also has a contract with Weber Basin Water Conservancy District for 600 acre-feet of water stored in Causey Reservoir.

EASEMENTS: The proposed pipeline will be installed within the existing canal easement.

ENVIRONMENTAL: No new ground will be disturbed for the project; therefore, no long-term environmental impact is foreseen.

WATER CONSERVATION: The project will conserve approximately 375 acre-feet of water annually, which will be used in the sponsor's service area to reduce shortages.

SPONSOR'S RESPONSIBILITIES: If the board authorizes the proposed project, the sponsor must do the following before construction can begin:

1. Obtain all easements, rights-of-way, permits, water rights, and water right assignments required to construct, operate, and maintain the project.

2. Pass a resolution by the appropriate (as defined in the company's Articles of Incorporation and Bylaws) majority of company stock authorizing its officers to do the following:

a. Assign properties, easements, water rights, and water right assignments 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.

4. Have an attorney give the Board of Water Resources a written legal opinion that:

a. 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.

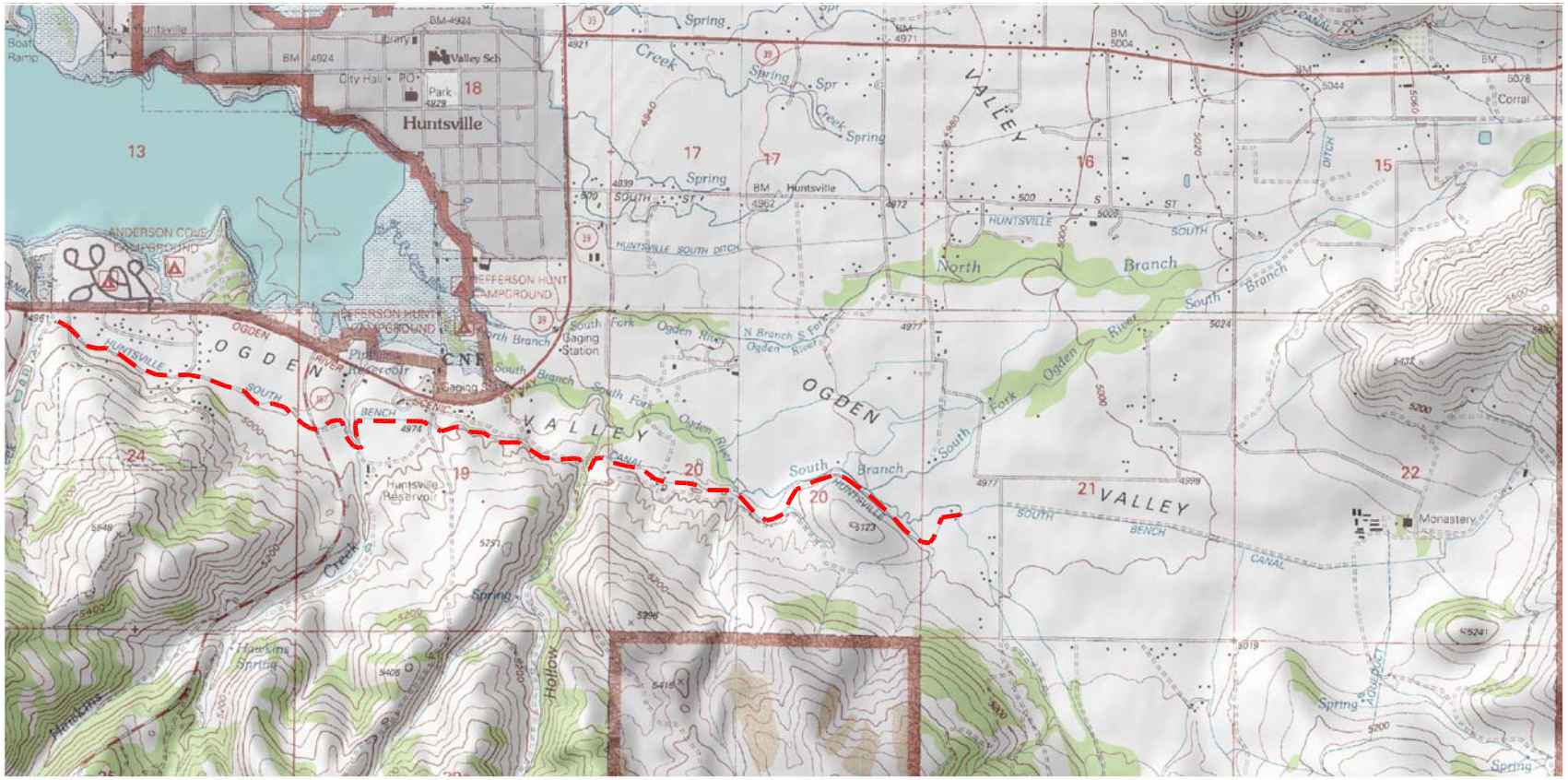
b. The company's water rights and water right assignments applicable to the project are unencumbered and legally transferable to the Board of Water Resources, and that they cover the land to be irrigated by the project.

In lieu of an attorney's opinion, the company may obtain a title insurance policy in the name of the Board of Water Resources for the easements, rights-of-way, land, and water rights necessary for the project.

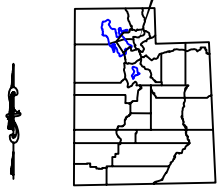
5. Obtain approval of final plans and specifications from the Division of Water Resources.

6. Review and update its water management and conservation plan for its service area, and obtain approval of it from the Division of Water Resources.

PROJECT CONTACT PEOPLE:	President:	Gregory Graves P.O. Box 77 Huntsville, UT 84317 Phone: (801) 532-2520
	Engineer:	J-U-B Engineers 466 North 900 West Kaysville, UT 84037 Phone: (801) 547-0393



Project Location



T6N; R1E, R2E

Proposed Pipeline

Scale in Feet

0 3000 6000

HUNTSVILLE SOUTH BENCH CANAL COMPANY

Canal Piping Project

Weber County

BOARD OF WATER RESOURCES

Feasibility Report

Conservation and Development Fund

Appl. No.: ***E-177***
Received: 8/26/05
Approved: 9/30/05

To be Presented at the February 3, 2006 Board Meeting

SPONSOR: ***PROVO RIVER WATER USERS ASSOCIATION***

President: Mike Wilson

LOCATION: The proposed project extends from near the mouth of Provo Canyon through the cities of Orem, Lindon, Pleasant Grove, Cedar Hills, American Fork, Highland, and Lehi to the Point of the Mountain in Utah County.

EXISTING CONDITIONS & PROBLEMS: The Provo River Water Users Association operates and manages the Provo River Project (see Figure 1), a Bureau of Reclamation (Reclamation) project constructed in the 1930s and 1940s that includes the Provo Reservoir Canal. The project delivers water from Deer Creek Reservoir to water users in Utah and Salt Lake Counties. As development has occurred during the last 50 years, operation of the canal has significantly changed. Although the canal still delivers irrigation water throughout its entire length, the largest demand for water is for municipal and secondary irrigation use at the canal's terminus. These new demands at the Point of the Mountain will require more capacity than the present 350 cfs.

Land that historically has been used for agriculture in northern Utah County is being rapidly converted into subdivisions. Even though the canal right-of-way is posted, local residents use it as a walking, jogging, and biking trail, and there have been five drownings in the canal within the last decade. In 1988 internal erosion caused a canal break that flooded agricultural land and residential basements located in Lindon, resulting in liability claims of $500,000. The area has continued to develop and a

similar canal break would result in much greater liability. The sponsor's attorneys feel the liability of the open canal will only continue to increase.

Water quality is another issue. The sponsor finds it difficult to keep yard waste and other trash from being dumped in the canal, and runoff from streets and agricultural fields also enters, affecting the cost of water treatment.

While the canal is presently only being used from April 15th to October 15th, the sponsor feels the conveyance system will eventually need to be used year-round, which will require an enclosed system.

With the increased urbanization of farmland, water supplied by the canal is increasingly being used by water districts, particularly in Salt Lake County, requiring that water be conveyed the entire canal length. Canal water usage is approximately 74% municipal or secondary irrigation and 26% agricultural.

Additionally, the canal is largely unlined and seepage and evaporation losses are estimated to be 8,000 acre-feet annually. The sponsor and the Central Utah Water Conservancy District (CUWCD) are presently facing the loss of approximately 8,000 acre-feet due to a jeopardy decision regarding the June Sucker located in the lower Provo River. CUWCD has offered to fund 50% of the cost of a canal enclosure project in exchange for the water saved from seepage and evaporation, contingent upon the project being built by 2016. In addition, the Federal Highway Administration has promised a grant of $11,750,000 for construction of a multi-use trail system along the conveyance right-of-way.

The project has the support of the local cities and environmental community because of the multi-use trail and positive impact on stream flow in the lower Provo River.

PROPOSED PROJECT: The sponsor is requesting financial assistance to replace the Provo Reservoir Canal with 21.5 miles of 120-inch steel pipe, increasing its capacity to 550 cfs throughout. The project will also include the replacement of 1,200 feet of siphon, pig launch and retrieval facilities, inlet, outlet, valve and meter

facilities, and 40 turnout structures. The project will serve an estimated 126,000 residential connections. The sponsor currently supplies an average of 74,000 acre-feet annually. It is anticipated that construction will start in 2008 and continue to 2014.

Bowen Collins & Associates, Inc of Draper has been retained to provide technical assistance.

The project fits in Prioritization Category 2 (municipal project required to meet existing or impending need).

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

Item	Description	Quantity	Unit Price	Amount
1.	Excavate & Install 120-inch Pipe	101,000 LF	$900	$90,900,000
2.	Highway Crossings	29 EA	150,000	4,350,000
3.	Siphon transitions	4 EA	10,000	40,000
4.	American Fork Siphon Lining	1,280 LF	500	640,000
5.	Additional Cost at Dry Creek	1,200 LF	100	120,000
6.	Diversion Structures	40 EA	16,500	660,000
7.	Outlet Valve Structure	LS	430,000	430,000
8.	Install Overflow at Olmsted Outlet	LS	100,000	100,000
9.	Isolation Valve	1 EA	80,000	80,000
10.	Flow Meters	2 EA	40,000	80,000
11.	Pig Launching Facilities	2 EA	250,000	500,000
12.	Pig Retrieval Facilities	2 EA	500,000	1,000,000
13.	Murdock Diversion Modifications	LS	800,000	800,000
Construction Cost				$ 99,700,000
Contingencies				19,940,000
Legal and Administrative				2,390,000
Design and Construction Engineering				11,970,000
TOTAL				$134,000,000

COST SHARING & REPAYMENT:

The recommended cost sharing and repayment are:

Agency	Cost Sharing	% of Total
Board of Water Resources	$ 60,000,000	44.8%
CUWCD Grant	67,000,000	50.0
Sponsor	7,000,000	5.2
TOTAL	$134,000,000	100%

If the board authorizes the project, it is suggested the assistance be repaid at 4.5% interest with annual payments of $4,130,000 for about 24 years. The 4.5% interest rate is a weighted interest rate determined using the board guideline of 5% for M & I and 3% for agriculture.

ECONOMIC FEASIBILITY:

Economic feasibility is determined by comparing the cost of the project with the present value of reduced operation and maintenance costs plus the value of new capacity provided by the enclosed canal. Based on a construction cost of $134 million, 50% funding by CUWCD, a fifty-year project life, and a 5.67% discount rate, the sponsor must charge $65 per acre-foot for new capacity in order for the benefit/cost ratio to equal 1.0.

FINANCIAL FEASIBILITY:

Benefits from installing the project will be the value of 8,000 acre-feet of water, plus the following:

	Annual Benefit
Reduction of O&M	$ 208,000
Reduction of Liability Insurance	4,000
Less Estimated Project O&M	(70,000)
Value of Increased Capacity	4,208,000
TOTAL ANNUAL BENEFIT	$4,350,000

With the proposed board plus grant share of the project being 95%, it is suggested the sponsor's repayment ability be calculated as approximately 95% of the annual benefit, or $4,130,000 per year.

BENEFITS:

This project will develop 8,000 acre-feet of water annually, to be released to the lower Provo River, largely eliminate the liability associated with an open canal, improve water quality, enable the sponsor to deliver water year-round, and increase the conveyance capacity to Point of the Mountain.

PROJECT SPONSOR: The Provo Reservoir Canal was originally owned by the Provo Reservoir Water Users Company, an irrigation company formed to build and maintain reservoirs and canals to deliver irrigation water to shareholders located in Utah and Salt Lake Counties. In 1935 the Provo River Water Users Association was formed to manage the Provo River Project, a large Reclamation project consisting of the Duchesne Tunnel, Weber-Provo Canal, Provo River Diking System, Deer Creek Dam & Reservoir, Murdock Diversion, Jordan Narrows Pumping Station, and enlargement of the Provo Reservoir Canal. The Provo River Project is presently being paid off with annual payments of $285,000 through 2027 to Reclamation.

The sponsor is in the process of obtaining title to the Provo Reservoir Canal from Reclamation so that title can be conveyed to the Board of Water Resources.

The sponsor has not received financial assistance from the board in the past.

WATER RIGHTS & SUPPLY: As security for the Provo River Project, Reclamation has taken title to all water rights associated with the Provo River Project and Provo Reservoir Canal. These water rights, listed below, will not be available as board security.

Water Right	Source	Quantity
55-262	Provo River	17,410 af
55-295	Provo River	100,000 af
55-7060	Provo River	7.9 cfs/2,900 af
55-7061	Provo River	1.43 cfs/500 af
35-8737	Weber River/Beaver Ck.	1,000 cfs/136,500 af
35-8756	Weber River	1,000 cfs/37,200 af
43-341	No. Fork Duchesne	550 cfs/49,500 af
43-343	Little Deer Creek	50 cfs
43-344	Little Deer Creek	21 cfs

Deliveries through the Provo Reservoir Canal have averaged 74,000 acre-feet annually over the past five decades. It is anticipated the conveyance system will deliver over 100,000 acre-feet annually once the project is finished in 2014. The maximum capacity of

the proposed project, based on available supply, is 160,000 acre-feet annually.

EASEMENTS: Reclamation presently owns title to the Provo Reservoir Canal easement. The sponsor is in the process of making arrangements to have this title transferred into its name. It is anticipated that no other project easements will need to be obtained.

ENVIRONMENTAL: The environmental community presently supports the project because the water savings (8,000 acre-feet annually) will be released into the lower Provo River. An environmental assessment for the project has been completed and a "finding of no significant impact" has been issued by Reclamation. Dust, noise, and traffic congestion will occur during the construction phase of the project.

WATER CONSERVATION: The project will conserve an estimated 8,000 acre-feet annually, which will be released into the lower Provo River.

SPONSOR'S RESPONSIBILITIES: If the board authorizes the proposed project, the sponsor must do the following before construction can begin:

1. Obtain title to the Provo Reservoir Canal right-of-way and to the canal improvements from the Bureau of Reclamation.

2. Obtain all easements, rights-of-way, and permits required to construct, operate, and maintain the project.

3. Pass a resolution by the appropriate (as defined in the association's Articles of Incorporation and Bylaws) majority of association stock authorizing its officers to do the following:

a. Assign properties and easements required for the project to the Board of Water Resources.

b. Assign all water rights and water delivery purchase contracts presently in the name of the association to the Board of Water Resources.

c. Enter into a contract with the Board of Water Resources for construction of the project and subsequent purchase from the Board.

4. Have an attorney give the Board of Water Resources a written legal opinion that:

a. The association 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 association has legally passed the above resolution in accordance with the requirements of state law and the association's Articles of Incorporation and Bylaws.

c. The association has obtained all permits required for the project.

5. Have an attorney give the Board of Water Resources a written legal opinion that:

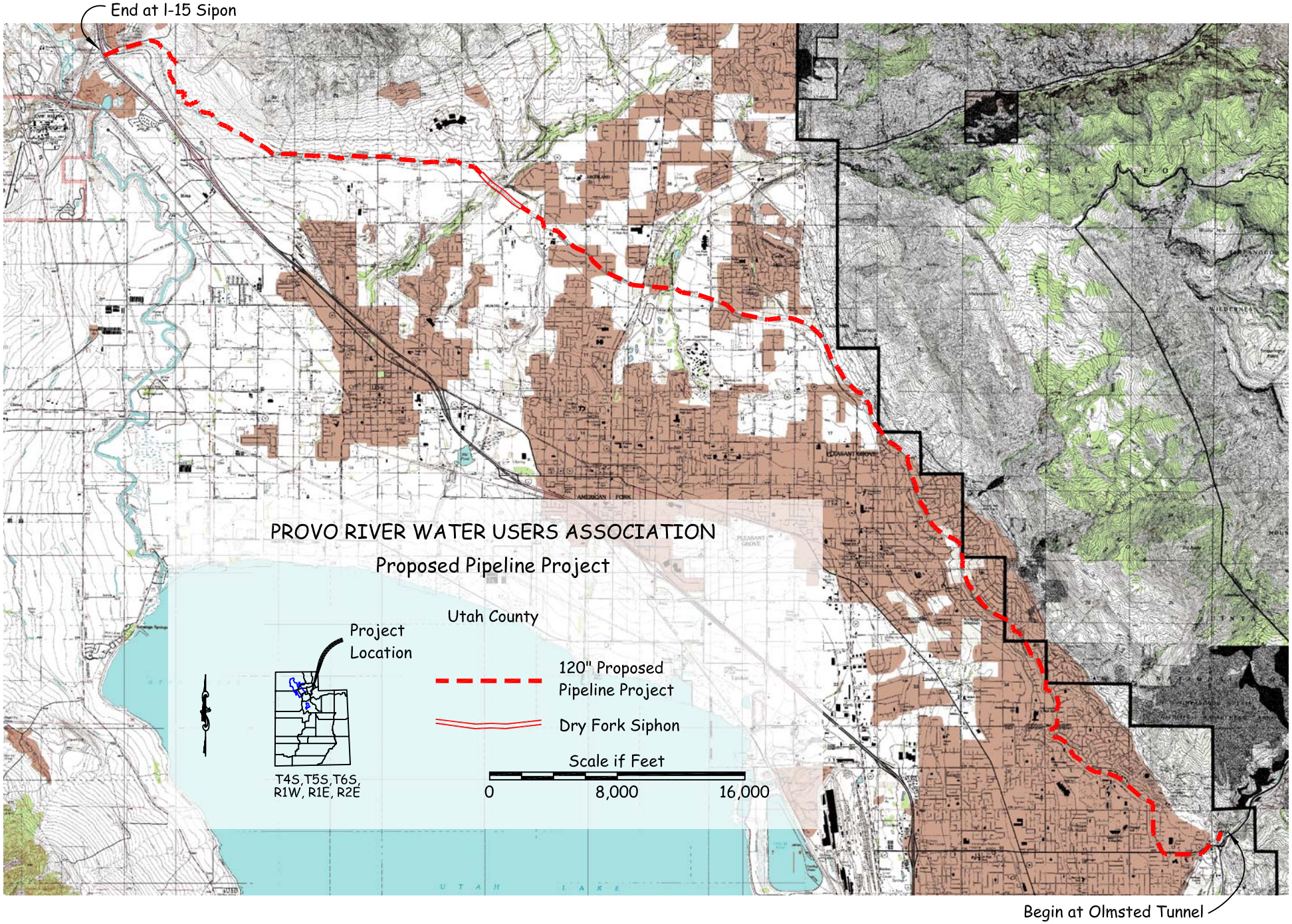
a. The association owns all easements and rights-of-way for the project, as well as the land on which the project is located, and that title to these easements, rights-of-way, and the project itself can be legally transferred to the Board.

In lieu of an attorney's opinion, the association may obtain a title insurance policy in the name of the Board of Water Resources for the easements, rights-of-way, land, and water rights necessary for the project.

6. Obtain approval of final plans and specifications from the Division of Water Resources.

PROJECT CONTACT PEOPLE:	President:	Mike Wilson 285 West 1100 North Pleasant Grove, UT 84062 Phone: (801) 254-2988
	General Manager:	G. Keith Denos 285 West 1100 North Pleasant Grove, UT 84062 Phone: (801) 254-2988

Engineer:	Michael Collins Bowen, Collins & Associates 756 East 12200 South Draper, UT 84020 Phone: (801) 495-2224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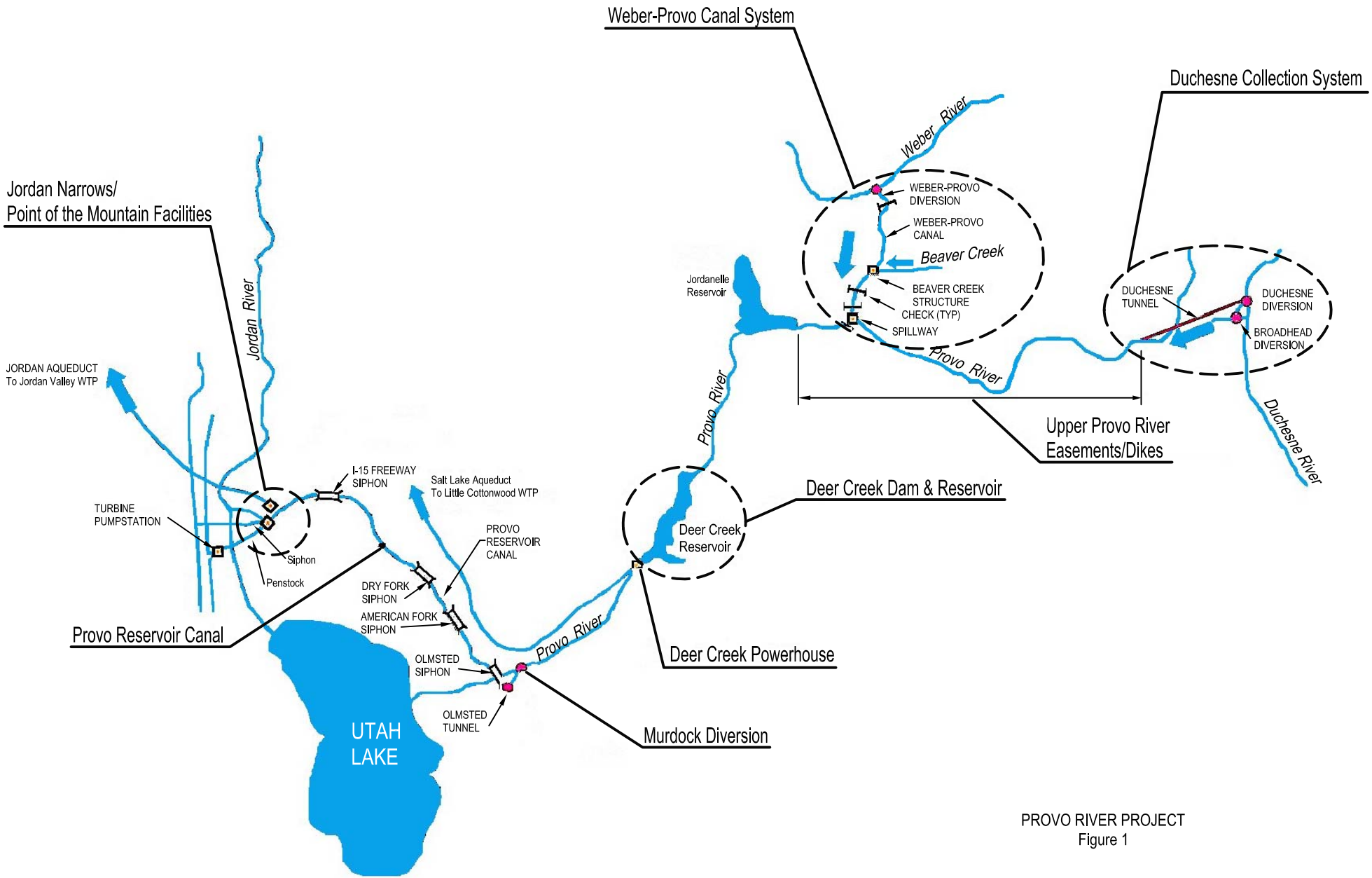
PROVO RIVER WATER USERS ASSOCIATION
Proposed Pipeline Project
Utah County
Project Location
T4S,T5S,T6S,
R1W, R1E, R2E
120" Proposed Pipeline Project
Dry Fork Siphon
Scale if Feet
0
8,000
16,000
Begin at Olmsted Tunnel



PROVO RIVER PROJECT
Figure 1

BOARD OF WATER RESOURCES

Committal of Funds

Conservation and Development Fund

Appl. No.: ***E-060***
Received: 9/11/01
Approved: 11/2/01
Authorized: 1/25/02
Committed (Phase I): 3/20/03, 9/19/03
Amended (Phase I): 3/11/04, 8/13/04

To be Presented at the February 3, 2006 Board Meeting

SPONSOR: ***HOOPER IRRIGATION COMPANY***

President: Theo Cox
5375 South 5500 West
Box 184
Hooper, UT 84315
Phone: (801) 985-8429

LOCATION: The project is located in Hooper City in Weber County.

PROJECT SUMMARY: In January 2002 the board authorized a $20,000,000 four-phased pressurized irrigation system to serve agricultural and residential users. Phase I of the project, costing $5,650,000 ($4,800,000 from the board) has been completed and is serving 425 homes and 410 agricultural acres.

The sponsor is ready to begin Phase II of the project, consisting of about 2.5 miles of additional secondary water lines (10 to 4-inch) to serve an initial 87 connections (with a potential of 125 connections) in the southwestern side of Hooper.

Hooper City Council has shown support of the project by passing a “partial ordinance” requiring that all homes sold after 2000 connect to the system.

COST ESTIMATE & SHARING: The overall project was authorized with an 85% cost sharing from the board and 15% from the sponsor. The proposed cost estimate and sharing for Phase II is:

Agency	Cost Sharing	% of Total
Board of Water Resources	$ 595,000	85%
Sponsor	105,000	15
TOTAL	$ 700,000	100%

PURCHASE AGREEMENT: Since Phase II essentially mirrors that installed for Phase I, staff recommends the interest rate and payment rate of increase remain at 3% and 2.86%, respectively. If the board commits funds to Phased II, it is suggested the $595,000 be returned in 20 years at 3% interest with the following approximate annual payments:

Year	Payment
1	$31,000
2	31,900
3	32,800
4	33,800
5	34,800
6	35,800
7	36,800
8	37,900
9	39,000
10	40,100
11	41,200
12	42,400
13	43,600
14	44,800
15	46,100
16	47,400
17	48,800
18	51,200
19	51,600
20	52,100±

STAFF COMMENT: To repay the proposed financial assistance, the sponsor intends to charge $26/month for lots smaller than 1/2 acre, $32/month for lots between 1/2 to one acre, and $44/month for lots over one acre.

BOARD OF WATER RESOURCES

Special Item

Recommittal/Reduction of Funds

Revolving Construction Fund

Appl. No.: ***D-968***
Received: 7/30/97
Approved: 8/8/97
Authorized: 1/14/00
Re-Authorized: 12/12/03
Committed: 3/11/04

To be Presented at the February 3, 2006 Board Meeting

SPONSOR: ***KANAB IRRIGATION COMPANY***

President: Norris Brown
16 East 200 South
Kanab, UT 84741
Phone: (435) 644-2347

LOCATION: The project is located north of Kanab City in Kane County.

PROJECT SUMMARY: In March 2004 the board committed 75% of a $500,000 project to equip a new irrigation well, clean and add cleaning access manholes to an existing 24-inch transmission pipeline, and install about 5,700 feet of new 10 and 30-inch transmission pipeline. Since then the Kane County Water Conservancy District has equipped the well and funded installation of the 10-inch transmission pipeline, and the sponsor has reduced the amount of 30-inch transmission pipeline from 5,300 feet to 200 feet and added an additional nine air vents and four clean-out manholes, resulting in a changed cost estimate and sharing.

COST ESTIMATE: The construction changes have reduced the cost estimate to $200,000.

COST SHARING & REPAYMENT: The committed and proposed cost sharing and repayment are:

Agency	Committed Cost Sharing	% of Total	Proposed Cost Sharing	% of Total
BWRe	$ 377,000	75%	$ 150,000	75%
Kane Co. WCD	118,700	24		
Sponsor	4,300	1	50,000	25
TOTAL	$ 500,000	100%	$ 200,000	100%

The project was committed stating the $377,000 will be returned with annual payments of $16,400 at 0% interest over approximately 23 years. If the board approves the cost sharing as shown, it is proposed the $150,000 be returned at 0% interest over approximately 20 years with annual payments of $7,500.

BOARD OF WATER RESOURCES

Special Item

Contract Amendment - Additional Funds

Revolving Construction Fund

Appl. No.: ***E-105***
Received: 11/8/02
Approved: 12/20/02
Authorized: 6/12/03
Committed: 3/10/05

To be Presented at the February 3, 2006 Board Meeting

SPONSOR: ***WEST PANGUITCH IRRIGATION & RESERVOIR COMPANY***

President: Mack Hatch
P.O. Box 186
Panguitch, UT 84759
Phone: (435) 691-0848

LOCATION: The proposed project is located northwest of Panguitch City in Garfield County.

PROJECT SUMMARY: In March 2005 the board committed funds to pipe approximately 3-1/4 miles of the West Panguitch Canal. Final design was not completed until December 2005. Project modifications plus rising pipe prices have resulted in a construction delay and an increased project cost of $547,000.

COST ESTIMATE & SHARING: The sponsor requests additional funds from the board to cover the increased costs and a one year delay of payment. The contracted and proposed cost sharing are:

Agency	Contracted Cost Sharing	% of Total	Proposed Cost Sharing	% of Total
BWRe	$212,000	27%	$265,000	20%
Upper Sevier River WCD	531,000	68	998,000	75
Sponsor	40,000	5	67,000	5
TOTAL	$783,000	100%	$1,330,000	100%

PURCHASE AGREEMENT:	The sponsor's current agreement with the board requires the project be purchased at 0% interest over approximately 17 years with annual payments of $9,000 due on December 1, 2006, $11,000 on December 1, 2007, and $13,000 thereafter. If the board commits additional funds to the project, staff recommends the agreement be amended to provide an additional $53,000 and to state the sponsor will return the $265,000 at 0% interest over approximately 21 years with annual payments of $9,000 due on December 1, 2007, $11,000 on December 1, 2008, and $13,000 thereafter.

BOARD OF WATER RESOURCES

Special Item

Withdrawal

Revolving Construction Fund

Appl. No.: ***E-187***
Received: 10/24/05
Approved: 10/28/05

To be Presented at the February 3, 2006 Board Meeting

SPONSOR: ***NEW ESCALANTE IRRIGATION COMPANY***

President: Bartt Carter
P.O. Box 535
Escalante, UT 84726
Phone: (435) 826-4680

LOCATION: The proposed project is located at Wide Hollow Reservoir, near Escalante in Garfield County.

PROJECT SUMMARY: After an annual inspection of Wide Hollow Dam in September 2005, the sponsor was required by the State Engineer to make repairs to the dam to control seepage occurring near the right abutment. The preliminary cost estimate was $122,500, prompting the sponsor to submit a funding application to the board. Discussions with the State Engineer's office and project refinement resulted in repairs costing approximately $90,000.

In the December 2005 board meeting, the sponsor requested, and the board approved, its upcoming $89,000 loan payment be delayed one year, allowing assessments collected for the payment to be used for dam repairs. Therefore, the sponsor requests its application for funding be withdrawn.

BOARD OF WATER RESOURCES

Special Item

Contract Amendment

Conservation and Development Fund

Appl. No.: ***L-499 & L-528***
Received: 10/18/94 & 11/25/98
Approved: 11/04/94 & 12/11/98
Authorized: 3/9/05 & 3/11/99
Committed: 8/11/95 & 5/5/00

To be Presented at the February 3, 2006 Board Meeting

SPONSOR: ***EAST CARBON CITY***

Mayor: Orlando LaFontaine
101 West Geneva Drive
P.O. Box 70
East Carbon, UT 84520
Phone: (435) 888-6613

LOCATION: East Carbon City is located about 25 miles east of Price in Carbon County.

SUMMARY: In 1995 and 2000, the Board approved culinary water projects for East Carbon City. The first project was a $2.6 million water improvement project that included a storage tank and several miles of pipelines. The Board provided $1.75 million; the Community Impact Board (CIB) $500,000; and Farmer's Home Administration (currently Rural Development) $350,000.

The Board's assistance was to be repaid in 20 years at 5% interest with payments beginning at $105,000 and increasing to $230,000.

Although the Board purchased a water revenue bond, it was told the city also intended to use revenue from East Carbon Development Corporation, a 2,400-acre non-hazardous solid waste landfill annexed by East Carbon City in 1992. The city imposed a $.50 per ton

fee for waste deposited in the landfill. Revenue to the city was $246,000 in 1993 and $463,000 in 1994. The city anticipated revenue would exceed $500,000 through 2002, and increase to $1,000,000 by 2003.

The second project involved improvements to the city's water treatment facility. The Board provided $845,000 and the sponsor $149,000 for a $994,000 total cost. The project was to be repaid in 15 years with 5% interest and annual payments ranging from $81,000 to $101,000. Again the Board was told the waste facility was providing considerable revenue to the city; however, the Board's contractual arrangement with the city was to purchase a water revenue bond.

In 2005 the owner of the landfill purchased a site in Tooele County for a new landfill and plans to take approximately 65% of the waste that is currently being disposed of at the East Carbon City site and place it at the Tooele site. This substantial reduction in revenue makes is necessary for the city to request its bonds with the Board, as well as with the Water Quality Board (WQB) and the CIB, be restructured. Additional information is provided in the attached memo.

PURCHASE AGREEMENT:

Based on staff review and coordination with the other state funding agencies through the Water Development Coordinating Council, staff suggests the Board restructure the city's current debt by reducing the interest rate to 2.5% and extending the time period of both bonds to 20 years. Staff further suggests the Board condition it's actions on the other two state agencies approval of the restructuring of their debts consistent with the information that is shown in the attached memo.

If the board approves the debt structuring, staff recommends the sponsor's bond payments be annual payments of approximately $147,500 at 2.5% interest over 20 years, conditional upon debt restructuring by the CIB and WQB.

BOARD OF WATER RESOURCES

Special Item

Feasibility Report & Committal of Funds

Revolving Construction Fund

Appl. No.: ***E-183***
Received: 9/14/05
Approved: 9/30/05

To be Presented at the February 3, 2006 Board Meeting

SPONSOR: ***PAROWAN SOUTH FIELD, INC.***

President: Larry A. Pendleton

LOCATION: The proposed project is located in and south of the Town of Parowan, about 16 miles north of Cedar City in Iron County.

EXISTING CONDITIONS & PROBLEMS: The sponsor provides flood irrigation water to 395 acres of pastureland in and around Parowan. This past spring a heavy runoff washed out much of the sponsor's ditch system and headgates, making irrigation impossible this past season. In addition, the sponsor loses an estimated 550 acre-feet annually to seepage, and spends about $800 annually cleaning ditches.

PROPOSED PROJECT: The sponsor is requesting financial assistance from the board to replace its damaged ditch system with a pressurized sprinkle irrigation system, enabling the sponsor to replace existing pastureland with grain and hay. Construction and inspection services will be provided by the Natural Resources Conservation Service (NRCS) in Cedar City.

The project fits in Prioritization Category 3 (agricultural project that will provide significant economic benefit to the area).

COST ESTIMATE: The following cost estimate is based on information provided by the NRCS and has been revised by staff:

Item	Description	Quantity	Unit Price	Amount
1.	PVC Pipe (100 psi)			
	a. 24-inch	1,300 LF	$38.50	$ 50,050
	b. 18-inch	4,800 LF	23.00	110,400
	c. 15-inch	4,100 LF	16.50	67,650
	d. 8-inch	400 LF	7.00	2,800
	e. 6-inch	7,200 LF	6.00	43,200
2.	PVC Pipe (125 psi)			
	a. 12-inch	1,400 LF	14.00	19,600
	b. 4-inch	4,300 LF	3.00	12,900
3.	Risers	200 EA	56.00	11,200
4.	24-inch Gate Valve	1 EA	5,000	5,000
5.	Butterfly Valves	LS	5,000	5,000
6.	Pressure Relief Valves	LS	5,900	5,900
7.	Open Vent	6 EA	50	300
8.	2-inch Air Vent	20 EA	300	6,000
9.	Tees and Reducers	LS	4,000	4,000
Construction Cost				$344,000
Contingencies				34,000
Legal and Administrative				8,000
TOTAL				$386,000

COST SHARING & REPAYMENT: The recommended cost sharing and repayment are:

Agency	Cost Sharing	% of Total
Board of Water Resources	$328,000	85%
Sponsor	58,000	15
TOTAL	$386,000	100%

If the board authorizes the project, it is suggested it be purchased with annual payments of $24,700 at 0% interest over approximately 14 years.

FINANCIAL FEASIBILITY: Benefits from installing the project were estimated to be primarily from increased crop yields. Annual net benefits are computed as follows:

Annual Benefit of Increased Crop Production	$ 28,800
Annual Cost Reduction of Ditch O&M	800
Less Estimated Project O&M	(550)
ANNUAL NET BENEFIT	$ 29,050

Since the proposed board share of the project is 85%, staff suggests repayment ability be calculated to be 85% of the annual net benefit, or approximately $24,700.

BENEFITS: The project will save 550 acre-feet annually that is presently lost in seepage, reduce ditch maintenance, and eliminate liability issues.

The old ditch will be used as a storm drain by the city.

PROJECT SPONSOR: The sponsor was organized about 100 years ago, and is presently registered in good standing with the state Department of Commerce. It has not received financial assistance from the board in the past.

The sponsor is planning on Environmental Quality Incentive Program (EQIP) grants for on-farm equipment after project completion.

WATER RIGHTS & SUPPLY: The sponsor’s shareholders own stock in the Parowan Reservoir Company, which holds multiple water rights in Yankee Reservoir and Parowan Main Creek. Shareholders will need to transfer their Parowan Reservoir stock (approximately 360 shares) to the board to secure the proposed loan.

EASEMENTS: The sponsor plans on placing the pipeline next to the existing ditch within its easement, so no easement problems are expected.

ENVIRONMENTAL: The project is not expected to have any detrimental effects on the environment beyond the usual dust and noise of the construction phase.

WATER CONSERVATION: The project will reduce ditch seepage by an estimated 550 acre-feet annually.

SPONSOR'S RESPONSIBILITIES: The sponsor must do the following before a contract can be signed:

1. Obtain all easements, rights-of-way, and permits required to construct, operate, and maintain the project.

2. Pass a resolution by the appropriate (as defined in the company's Articles of Incorporation and Bylaws) majority of company stock authorizing its officers to do the following:

   a. Assign properties, easements, and the 357.662 shares of Parowan Reservoir Company stock 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.

4. Have an attorney give the Board of Water Resources a written legal opinion that:

   a. 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.

   b. The company shareholders' Parowan Reservoir Company stock applicable to the project is unencumbered and legally transferable to the Board of Water Resources, and that it covers the land to be irrigated by the project.

In lieu of an attorney's opinion, the company may obtain a title insurance policy in the name of the Board of Water Resources for the easements, rights-of-way, land, and water rights necessary for the project.

5. Obtain approval of final plans and specifications from the Division of Water Resources.

6. Prepare a water management and conservation plan for its service area, and obtain approval of it from the Division of Water Resources.

7. Obtain an IRS Employer Identification Number.

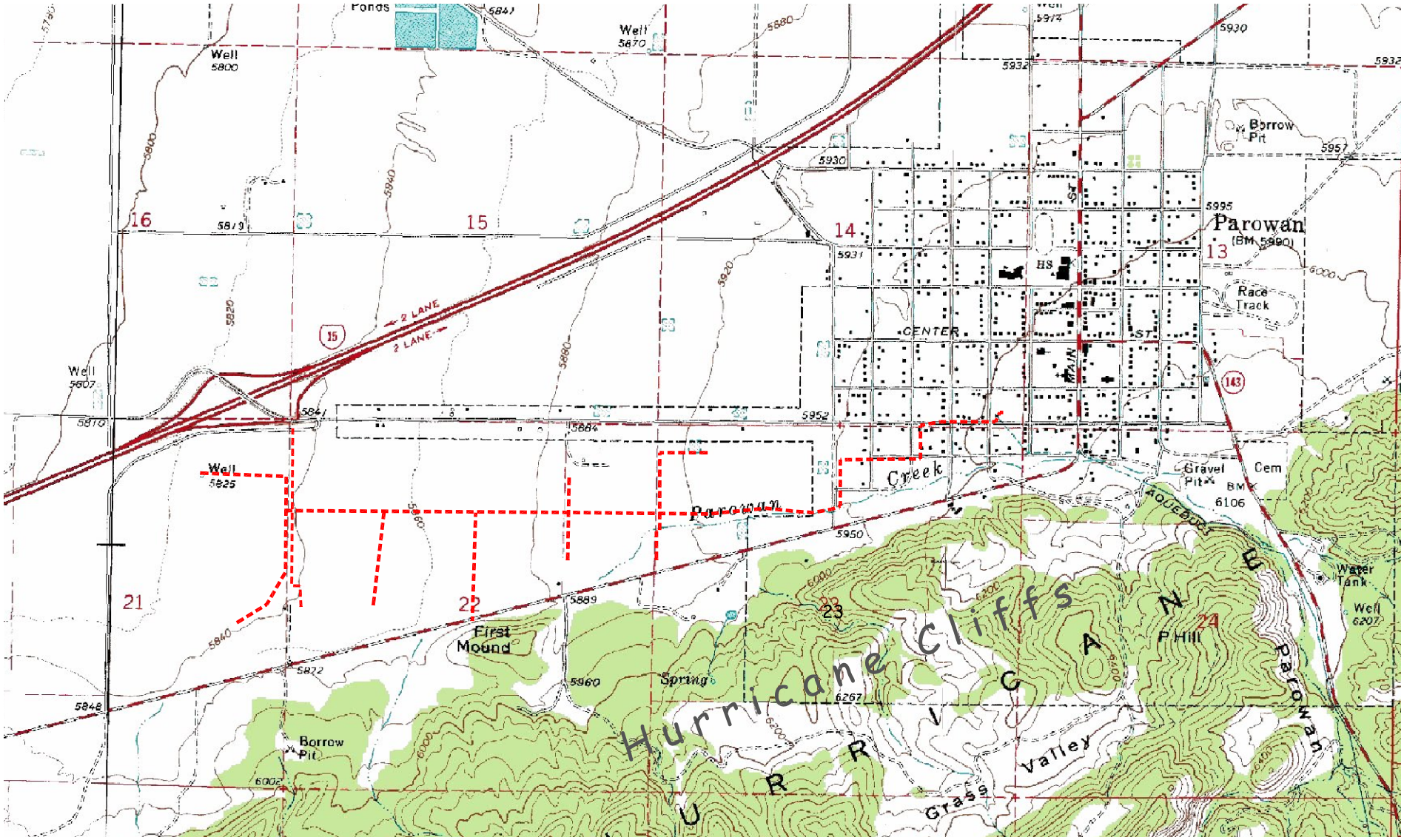
STAFF COMMENTS: Because the sponsor's system was destroyed by floods last spring and has been unusable since then, it would like to begin construction of the project as early this spring as possible and is currently completing its responsibilities. Staff therefore recommends that, <u>if the board authorizes the project, it also consider committing funds.</u>

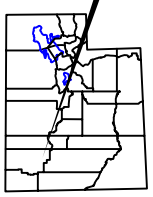
PROJECT CONTACT PEOPLE:

President:
Larry A. Pendleton
600 North 45 West
P.O. Box 639
Parowan, UT 84761
Phone: (435) 477-8880 (work)
(435) 559-8880 (cell)

Secretary:
Suzanne Morris
579 South 450 West
Cedar City, UT 84720-2635
Phone: (435) 586-6729

Engineer:
John Esplin
NRCS
2390 W. Highway 56, Suite 14
Cedar City, UT 84720
Phone: (435) 586-2429





Project Location

Proposed Pipeline

PAROWAN SOUTH FIELD INC.
Sprinkle Irrigation Project
Iron Co.

Scale in Feet

0 1000 2000 4000

BOARD OF WATER RESOURCES

Dam Safety Report

Construction Funding

Contract Amendment – Additional Funds

Appl. No.: ***C-012***
Committed: 12/9/05

To be Presented at the February 3, 2006 Board Meeting

SPONSOR: ***ENTERPRISE RESERVOIR & CANAL COMPANY***

President: James L. Simkins
P.O. Box 67
Enterprise, UT 84725
Phone:(435) 878-2324

LOCATION: Lower Enterprise Dam is located approximately 11 miles southwest of Enterprise in Washington County.

SUMMARY: Last December the board approved an upgrade of Lower Enterprise Dam to meet current state dam safety standards and committed funds for Phase I, consisting of repairing erosion damage on the abutments and in the spillway channel. Bids for the construction of the Phase I upgrade are approximately double the committed amount and the sponsor is requesting additional funding to cover the increased cost.

COST ESTIMATE: The estimated cost of Phase I of the upgrade, including construction and engineering, is $400,000.

COST SHARING: The committed and proposed Phase I cost sharing and repayment are:

Agency	Committed Cost Sharing	Proposed Cost Sharing	% of Total
BWRe – Grant	$190,000	$380,000	95%
BWRe – Loan	10,000	20,000	5
TOTAL	$200,000	$400,000	100%

The sponsor’s current agreement with the board states the $10,000 will be returned at 0% interest over approximately five years with annual payments of $2,000. If the Board commits additional funds as shown, it is proposed the $20,000 be returned at 0% interest over approximately 10 years with annual payments of $2,000.

BOARD OF WATER RESOURCES

Application Summary

Appl. No. ***E-190***
Received: 12/14/05

SPONSOR: ***MAGNA WATER COMPANY AN IMPROVEMENT DISTRICT***

Manager: Edwin J. Hansen
P.O. Box 303
2711 South 8600 West
Magna, UT 84044
Phone: (801) 250-2118

LOCATION: The proposed project is located in West Valley City in the northwestern portion of Salt Lake Valley.

PROPOSED PROJECT: The sponsor is requesting assistance to construct a municipal water treatment plant needed to meet arsenic and perchlorate standards.

WATER RIGHTS: The sponsor has numerous underground water rights.

COST ESTIMATE: $21,000,000

BOARD OF WATER RESOURCES

Application Summary

Appl. No. ***E-191***
Received: 12/20/05

SPONSOR: ***PROVIDENCE-LOGAN IRRIGATION COMPANY***

President: Chris Himmel
516 East 700 South
River Heights, UT 84321
Phone: (801) 753-3249

LOCATION: The proposed project is located in Logan and River Heights in Cache County.

PROPOSED PROJECT: The sponsor is requesting assistance to replace a 100-year-old flume and canal section with an inverted siphon.

WATER RIGHTS: Numbers 25-5137, 25-5138, 25-5139, and 25-5140.

COST ESTIMATE: $450,000

BOARD OF WATER RESOURCES

Application Summary

Appl. No. ***E-192***
Received: 12/21/05

SPONSOR: ***MELVILLE IRRIGATION COMPANY***

President: Clyde L. Bunker
800 West 100 North
Delta, UT 84624
Phone: (435) 864-2575

LOCATION: The proposed project is located two miles south of Delta in Millard County.

PROPOSED PROJECT: The sponsor is requesting assistance to concrete-line 6,700 feet of canal.

WATER RIGHTS: Howley Filing and Cox Decree

COST ESTIMATE: $159,000

BOARD OF WATER RESOURCES

Application Summary

Appl. No. ***E-194***
Received: 12/27/05

SPONSOR: ***FREMONT IRRIGATION COMPANY***

President: Dean Chappell
Box 1392
Lyman, UT 84749
Phone: (435) 836-2864

LOCATION: The proposed project is located three miles northeast of Loa in Wayne County.

PROPOSED PROJECT: The sponsor is requesting assistance to replace about 3,800 feet of its main canal with 66-inch HDPE pipe.

WATER RIGHTS: The sponsor's water rights consist of certified rights, decreed rights, and diligence rights to the flow of the Fremont River and Spring Creek, and storage in Fish Lake, Mill Meadow Reservoir, Johnson Valley Reservoir, and Forsyth Reservoir.

COST ESTIMATE: $800,000

BOARD OF WATER RESOURCES

Application Summary

Appl. No. ***E-195***
Received: 1/5/06

SPONSOR: ***WELLSVILLE-MENDON CONSERVATION DISTRICT***

President: Quinn Murray
691 South 200 West
Wellsville, UT 84339
Phone: (435) 245-3420

LOCATION: The proposed project is located about two miles east of Wellsville City in Cache County.

PROPOSED PROJECT: The sponsor is requesting assistance to reshape and rubber-line about 5,000 feet of its existing canal.

WATER RIGHTS: Water rights are held by the Bureau of Reclamation.

COST ESTIMATE: $511,500

BOARD OF WATER RESOURCES

Application Summary

Appl. No. ***E-196***
Received: 1/9/06

SPONSOR: ***EMIGRATION IMPROVEMENT DISTRICT***

General Manager: Fred A. Smolka
3350 Emigration Canyon
Salt Lake City, UT 84108
Phone: (801) 582-6176

LOCATION: The proposed project is located three miles up Emigration Canyon, east of Salt Lake City in Salt Lake County.

PROPOSED PROJECT: The sponsor is requesting assistance to construct 3.3 miles of distribution pipeline, adding 200 residences to its existing system.

WATER RIGHTS: WRNUM 57-7796

COST ESTIMATE: $2,700,000

Unapproved

MINUTES OF THE
BOARD OF WATER RESOURCES
BRIEFING MEETING
December 9, 2005

Room 314
Department of Natural Resources Building
1594 West North Temple
Salt Lake City, Utah

Minutes of
Board of Water Resources Briefing Meeting
12/9/05 8:30 a.m.

Attendees:

Ivan Flint
Brad Hancock
Harold Shirley
Blair Francis
John Carman
George Harmond, Jr.
Paul McPherson
Warren Peterson

Larry Anderson, Director
Dennis Strong, Deputy Director
Eric Millis, Asst. Director
Steve Wilde, Chief, Investigations
Todd Adams, Chief Hydrology and Computer Applications
Geralee Murdock, Administrative Secretary

Discussion of Projects

Utland Ditch Co.

Brad Hancock asked staff if the Utland Ditch Company project repayment period was authorized at 20 years. He said it is a good project making two diversions out of the river. Steve Wilde replied the repayment period is for 16 years.

Davis and Weber Counties Canal Company

Steve Wilde said this committal of funds is for the fourth phase of a long-term canal rehabilitation plan. It consists of 3,000 feet of box culvert and new canal liner. Ivan Flint said he has looked this project over several times this year. He said this is where they had the slide a few years ago. "It all needs to be done, it is a horrible mess of a canal". Director Anderson asked why they weren't putting it all in box culvert as there are so many homes going in around the area. Mr. Flint said it is probably due to the cost.

Elwood Town

Steve Wilde said this is a drinking water project and does not have any changes since authorization.

Tropic and East Fork Irrigation Company

Steve Wilde said staff recommends the Board approve the request to delay the first year's payment as there were construction delays and the company was unable to irrigate until mid-June of this year. This has been done for a number of other sponsors in the past.

Larry Anderson said this is the only diversion in the entire Colorado River Basin where water is diverted into the Colorado River. Every other diversion takes water out; this one adds water.

Chester Irrigation Company

Steve Wilde said the Chester Ponds have been in existence a long time. The company replaced existing spillway flashboard structures with gated structures on four of the ponds, but this past spring the fifth pond's old spillway washed out. In addition to the additional work required to get the fifth pond reconstructed, the State Engineer is requiring that 400 feet of toe drain be installed. The total cost will increase from $150,000 to $200,000.

New Escalante Irrigation Company

Steve Wilde reported because willows and gopher holes have become established on the Wide Hollow Dam the State Engineer is requiring repairs take place. The reservoir will be severely restricted until the repair work is completed to control the seepage. The estimated cost of the repairs is $90,000. The company's March 2006 payment is $89,000; the company cannot make the $89,000 payment and pay the $90,000 for dam repairs. Staff is recommending the Board amend the company's agreement to postpone the March 2006 payment one year and make all currently scheduled principal and interest payments due one year later than presently required. No interest will accrue from March 1, 2006, through February 28, 2007.

M & M Irrigation Company

Steve Wilde reported the pipeline project was authorized 15 months ago. The bid, however, came in higher than the authorized amount due to a rise in the cost of pipe, and the company is requesting the Board provide an additional $440,000 out of the Revolving Construction Fund at 0% interest.

Enterprise Reservoir & Canal Company

Steve Wilde said when the flow over the Lower Enterprise Dam spillway exceeds the capacity, the overflow goes over the top of the dam causing structural concerns. The State Engineer is requiring the dam be upgraded to meet current dam safety standards. Construction will take place in phases. Phase I consists of repairing damage by filling in voids and rock-

bolting the abutments and portions of the spillway channel. Staff is recommending the Board grant $180,000 (90%) and a $20,000 loan for Phase I. Dennis Strong said the State Engineer will place a restriction on the structure if they do not do the repairs and rock-bolting on the spillway. He also said the full cost of the repairs to the dam is estimated to be about $600,000. The company will return to request financial assistance for Phase II.

Harold Shirley asked about the possibility of a 95% grant. Mr. Wilde said if the Board chooses to grant the project at 95%, staff suggests the annual payment remain the same.

Other Items

Director Anderson informed the Board the January Board meeting will need to be changed to February 3 because there is not a meeting room available.

Director Anderson said a Water Summit sponsored by Washington County Water Conservancy District, (WCD) Central Iron County WCD and Kane County WCDs was held in St. George November 16 to discuss the Lake Powell Pipeline. Boards of Directors, mayors, city councilmen, county commissioners, elected state officials, congressional staffers, Indian tribes, members of the Water Financing Task Force, and legislative chairmen of different groups were all invited. Lt. Governor Herbert, Mike Styler, DNR Executive Director, and Ed Alter, State Treasurer, all spoke. Director Anderson gave a presentation, Scott Wilson of the Iron County WCD, Mike Noel of the Kane County WCD and Ron Thompson of the Washington County WCD all spoke. The purpose of the summit was to make sure everybody heard the same message. Vanguard Media was responsible for putting it all together. Todd Adams showed the Board the film prepared by Vanguard Media on the Lake Powell Pipeline.

Ivan Flint attended the summit and said it was a worthwhile summit. There was a lot of good information presented that day.

Meeting adjourned at 9:45 a.m.

Unapproved

MINUTES OF THE
BOARD OF WATER RESOURCES MEETING

December 9, 2005

Auditorium
Department of Natural Resources Building
1594 West North Temple
Salt Lake City, Utah

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Attachment – 2006 Board Meeting Schedule

SUMMARY OF BOARD ACTIONS

1. The Minutes of the October 28, 2005 Board meetings were approved with suggested changes. page 1

2. The Board committed funds to the M & M Irrigation Company in the amount of $976,000 (49%) from the Revolving Construction Fund at 0% interest to be returned in 25 years with annual payments of $27,000 the first five years, and approximately $42,100 the next twenty. page 2

3 Funds were committed to the Utland Ditch Company in the amount of $270,000 (22.5%) to be returned with annual payments of $17,000 at 0% interest over approximately 16 years. page 2

4. The Board committed funds to the Davis & Weber Counties Canal Co's. phase IV project in the amount of $1.807 million (85%) to be returned in 30 years at 3.6% interest with annual payments of approximately $99,500. page 3

5. Funds were committed to Elwood Town in the amount of $1.530 million (90%) to be repaid in 25 years at 3.5% interest with an escalated repayment schedule. page 3

6. The Tropic and East Fork Canal Co's contract was amended to postpone its March 2006 payment for Phase I for one year, making all currently scheduled principal and interest payments due one year later than presently required. No interest will accrue from March 1, 2005 through February 28, 2006. page 4

7. The Chester Irrigation Company contract was amended to provide an additional $16,000 making a total of $64,000 (32%) to be returned with annual payments of $4,300 at 0% interest over approximately 15 years. page 4

8. The New Escalante Irrigation Company contract was amended to postpone its March 2006 payment of $89,000 one year making all currently scheduled principal and interest payments one year later than presently required. No interest will accrue from March 1, 2005 through February 28, 2006. page 5

9. The Enterprise Reservoir and Canal Co. received a dam safety grant in the amount of $190,000 (95%) for phase I of the Lower Enterprise Dam repair and a loan in the amount of $10,000 to be returned with annual payments of $2,000 at 0% interest over approximately five years. page 5

10. The Board approved the 2006 Board Meeting Schedule. page 6

THOSE PRESENT

The BOARD OF WATER RESOURCES met in regular session on Friday, December 9, 2005 in the Auditorium of the Department of Natural Resources Building, 1594 West North Temple, Salt Lake City, Utah. Chair Ivan Flint presided over the 10:00 a.m. meeting.

BOARD MEMBERS PRESENT:

Ivan Flint
Brad Hancock
Warren Peterson
Harold Shirley
Blair Francis
George Harmond, Jr.
John Carman
Paul McPherson

STAFF MEMBERS PRESENT:

Larry Anderson, Director
Dennis Strong, Deputy Director
Eric Millis, Asst. Director
Randy Staker, Accountant
Robert King, Chief, Interstate Streams
Dan Aubrey, Chief Geologist
Steve Wilde, Chief, Investigations
Matt Call, Engineer
Val Anderson, Engineer
Gina Hirst, Engineer
Tom Cox, Engineer
Shalaine DeBernardi, Engineer
Geralee Murdock, Administrative Secretary

OTHERS PRESENT:

Frank Eliason, President, M & M Irrigation Company
Troy Prestwich, Secretary-Treasure, M & M Irrigation Company
Bob Kilpack, Customer Service, Isco Industries
Darin Robinson, Engineer, Jones & DeMille Engineering

OTHERS PRESENT CONT'D:

Pete Page, President, Davis & Weber Counties Canal Co.
Ivan Ray, General Manager, Davis & Weber Counties Canal Co.
Scott Paxman, Board member, Davis & Weber Counties Canal Co.
Jerry Stevenson, Board member, Davis & Weber Counties Canal Co.
Lee Cammack, Project Engineer J-U-B Engineers

James Simkins, President, Enterprise Reservoir and Canal Co.
Fenton Terry, Secretary, Enterprise Reservoir and Canal Co.
Brad Price, Engineer, R B & G Engineering, Inc.

MINUTES OF THE
BOARD OF WATER RESOURCES MEETING
December 9, 2005

Chair Flint welcomed everyone to the meeting.

APPROVAL OF MINUTES

Warren Peterson made the motion to approve the minutes of the October 28, 2005, Briefing Meeting and Board Meeting with suggested changes. George Harmond, Jr. seconded the motion and the Board agreed unanimously.

CHAIRS REPORT

Chair Flint reported on the Water Summit, arranged by Ron Thompson of the Washington County Water Conservancy District, held in St. George, regarding the Lake Powell Pipeline. One of the items discussed at the Summit was how to finance the Lake Powell Pipeline and the Bear River Development Projects. Director Anderson said it was an excellent conference. It was by invitation only, a large group attended, probably 125.

Director Anderson introduced Tammy Kikuchi, the Department's new Public Information Specialist. He said she worked for a year for Governor Huntsman, but decided she'd like to spend more time with her husband and children and therefore, accepted an assignment at DNR.

COMMITTAL OF FUNDS

#E-136 M & M Irrigation Company

Chair Flint introduced Frank Eliason, Troy Prestwich, Bob Kilpack and Darin Robinson. Gina Hirst reported the proposed project is located west of Mount Pleasant and northeast of Moroni in Sanpete County. The company requested financial assistance to replace 7-1/2 meandering miles of unlined transmission canal with 4-1/2 miles of HDPE pipe.

The project has been bid and, due to the past year's dramatic increases in the price of pipe, costs will be higher than authorized. The company is requesting an additional $445,000 making a total of $976,000 from the Revolving Construction Fund.

The request of $976,000 is larger than normally provided from the Revolving Construction Fund but the company doesn't feel shareholders can afford to pay interest on Board funds if the project moves to the C&D fund. The company will eliminate a mile of the proposed project and request $800,000 if the Board feels it can not provide the $976,000 from the Revolving Construction Fund.

Frank Eliason expressed appreciation to the Board for its support of the project. He said the company wants to conserve as much water as possible and they've been losing a lot of water over the life of the canal. Troy Prestwich said the increase in the cost of pipe is attributed to the Katrina Hurricane. This has forced the cost of pipe and materials to go way above what was originally planned. Darin Robinson, engineer on the project, said his firm had reduced its cost from the original budget by 30% and the company has picked up the slack by doing a lot of leg work. He said the engineering firm and the irrigation company have tried to keep the cost manageable where it could.

Warren Peterson asked what would happen if the last mile of pipe were not installed. What does it do in terms of the functionality of the project? Troy Prestwich said it leaves more open ditch to maintain. Mr. Kilpack said it costs about $20,000 a year to generally maintain the canal. If you take out this much pipeline, the open ditch has to be maintained and it will lessen the benefit to the farmers and leave the project partly complete.

Mr. Peterson made the motion to commit funds to the M&M Irrigation Company in the amount of $976,000 (49%) from the Revolving Construction Fund at 0% interest to be returned in 25 years with annual payments of $27,000 the first five years, and approximately $42,100 the next 20. Paul McPherson seconded the motion and the Board agreed unanimously.

#E-182 Utland Ditch Company

Val Anderson reported the Utland Ditch Co. is located one mile west of UPALCO four miles east of Duchesne. The company requested financial assistance to combine two current agricultural irrigation water diversions into one, replace two irrigation ditches with 6.5 miles of transmission pipeline, and install 12 new propeller meters. The cost estimate remains the same as authorized.

Brad Hancock made the motion to commit funds to the Utland Ditch Co. in the amount of $270,000 (22.5%) to be returned with annual payments of $17,000 at 0% interest over approximately 16 years. Harold Shirley seconded the motion and it was unanimously agreed upon by the Board.

#E-189 Davis & Weber Counties Canal Co.

Chair Flint introduced Ivan Ray, Pete Page, Scott Paxman, Jerry Stevenson and Lee Cammack. Tom Cox reported in the year 2000 the Board authorized the sponsor's $25.5 million phased project to improve the Davis & Weber Canal. The first three phases have been completed and approximately 8800 feet of concrete box culvert and 4300 feet of reinforced concrete liner has been installed as well as slope stability work has been done at places along the canal alignment.

The company is proceeding with Phase IV, which includes approximately 1,200 feet of concrete box culvert and 1,700 feet of reinforced concrete liner. Construction is underway in order to complete the project by this coming April. The same cost sharing is to be extended to Phase IV with 85% from the Board and 15% from the canal company. The authorized terms of the overall project are 30 years at 3.6% interest.

Lee Cammack said this phase of the project completes the canal improvements in the areas where there is the greatest potential for significant property damage. Chair Flint asked what the timetable was for the next section of the canal. Mr. Cammack said there will be a project essentially every year until it gets completed; they are about halfway through. Ivan Ray said they should be through somewhere around 2012.

After further discussion, Brad Hancock made the motion to commit funds to the Davis & Weber Counties Canal Co.'s Phase IV in the amount of $1.807 million (85%) to be returned to the Board in 30 years at 3.6% interest with annual payments of approximately $99,500. John Carman seconded the motion and the Board unanimously agreed.

#L-549 Elwood Town

Val Anderson reported Elwood Town is located about 11 miles north of Brigham City in Box Elder County. In January, 2005 the culinary improvement project was authorized which consisted of a 500,000 gallon storage tank and about 7.5 miles of transmission and distribution pipeline. The cost estimate and sharing remain the same as authorized.

Blair Francis made the motion to commit funds to Elwood Town in the amount of $1.530 million (90%) to be repaid in 25 years at 3.5% interest with an escalated repayment schedule. George Harmond, Jr. seconded the motion and it was unanimously agreed upon by the Board.

SPECIAL ITEMS

#E-104 Tropic & East Fork Irrigation Company

Tom Cox reported the Board authorized a two-phase project to replace the seven mile-long Tropic & East Fork Canal with 30-inch pipeline. The Board committed $600,000 to be returned at 1.5% interest over approximately 25 years with annual payments of $29,000 beginning March 1, 2006.

Construction of Phase I was delayed and water was not available to irrigators until mid-June of this year, causing a significant reduction in crop yield. Work on Phase II is under construction and shareholders' assessments are going toward the company's cost sharing for that phase. Because of these circumstances, the company will have a difficult time making its March payment to the Board for Phase I and requests a year's postponement.

Harold Shirley made the motion to amend the Tropic & East Fork Canal Co.'s contract to postpone its March 2006 payment for Phase I to the Board, for one year and making all currently scheduled principal and interest payments due one year later than presently required. No interest will accrue from March 1, 2005, through February 28, 2006. Paul McPherson seconded the motion and the Board agreed unanimously.

Chair Flint introduced Mike Styler, Department of Natural Resources Executive Director. Mr. Styler thanked everyone for their service and said the state of Utah appreciates what they do. He also wished everyone a Merry Christmas.

#E-138 Chester Irrigation Company

Val Anderson said last winter the company began a project to replace, in five ponds, existing spillway flashboard structures with gated structures. The work was completed on four of the ponds, but this past spring the fifth pond's old spillway washed out and damaged the embankment. In addition to the additional work required to get the fifth pond reconstructed, the State Engineer is requiring that 400 feet of toe drain be installed.

The company is requesting an additional $16,000 to help pay for the spillway replacement, embankment repair, and toe drain.

Warren Peterson said this is a good project and moved to amend the Chester Irrigation Company project to provide an additional $16,000 making a total of $64,000 (32%) to be returned with annual payments of $4,300 at 0% interest over approximately 15 years. George Harmond, Jr. seconded the motion and it was unanimously agreed upon by the Board.

#N-226 New Escalante Irrigation Company

Tom Cox reported the New Escalante Irrigation Company owns and operates Wide Hollow Dam and reservoir as part of its pressurized irrigation system. Since the early 1990s when dam safety studies identified several major deficiencies in the embankment and spillway, the company has been investigating sites for a replacement dam and reservoir, devoting most of its time and resources to that pursuit with minor attention given to the existing dam.

After an annual safety inspection the State Engineer sent the company a letter indicating storage in the reservoir will be severely restricted until repair work to control the seepage is done. It is estimated those repairs will cost around $90,000.

The company has a contractual agreement with the Board for construction of the pressurized irrigation system. The system is being purchased at 1.5% interest with payments through 2020. The next payment is due March 2006, in the amount of $89,000. The company cannot pay for the necessary dam repairs and make its scheduled payment to the Board, and therefore requests a year's postponement.

Harold Shirley made the motion to amend the New Escalante Irrigation Company contract to postpone its March 2006 payment of $89,000 one year making all currently scheduled principal and interest payments one year later than presently required. No interest will accrue from March 1, 2005, through February 28, 2006. Blair Francis seconded the motion and the Board agreed unanimously.

DAM SAFETY CONSTRUCTION FUNDING

#C-012 Enterprise Reservoir & Canal Company

Chair Flint introduced James Simkins, Fenton Terry and Brad Price. Shalaine DeBernardi reported the Lower Enterprise Dam is located about 11 miles southwest of the city of Enterprise in Washington County. The company is requesting financial assistance to upgrade the dam to meet current dam safety standards. The dam's foundation, abutments and downstream spillway channel are stable but the spillway is not adequate. During high inflow events water spills over the dam crest due to the inadequate spillway, and erosion at the base of the spillway pour-off and spillway channel occurs.

This upgrade will be constructed in phases. Phase I will consist of repairing the erosion damage by filling in voids and rock-bolting the spillway channel. The remaining upgrade work will be done in future phases and will be brought before the Board when ready. Technical assistance is being provided by Alpha Engineering in St. George and RB&G Engineering in Provo. The estimated cost of this phase is $200,000.

Mr. Simkins said the company appreciates what the Board has done for them in the past and requested a 95% grant instead of the staff recommended 90%. Mr. Flint asked what the justification was. Mr. Simkins said they have a lot of debt. They pay $7 for irrigation water and also have high pumping costs. He said they would appreciate it if they could get the 95%. Mr. Terry said the flooding last spring in southern Utah caused damage to the spillway and they repaired it the best they could and also expressed a desire for a 95% grant. Brad Price, engineer, said after evaluation of the dam it was determined the dam is in good condition and only needs some minor repairs.

George Harmond, Jr. asked what the total cost of the dam repairs would be. Mr. Price said in the $600,000 range. Harold Shirley made the motion to grant $190,000 (95%) with a loan of $10,000 (5%) to the Enterprise Reservoir & Canal Co. for Phase I of the Lower Enterprise Dam repair. The $10,000 is to be returned with annual payments of $2,000 at 0% interest over approximately five years. Warren Peterson seconded the motion and the Board agreed unanimously.

DIRECTOR'S REPORT

Director Anderson referred to the memo in the Board Folder regarding the development of Lower Basin shortage guidelines coordinated management strategies for Lakes Powell and

Mead and the concerns that have been raised with Arizona's letter to the Bureau of Reclamation challenging the 602a storage algorithm that is now being used. The fact Arizona sent the letter makes it more difficult for the Upper and Lower Basin States to come to an agreement on joint operation of the reservoirs. This agreement is to be to the Secretary of Interior by early February. If an agreement is not reached, then there won't be a 7-state position and the Secretary of Interior will have to write her own proposed alternative. If this happens it opens up the possibility for some serious disagreements between the states.

APPROVAL OF 2006 BOARD MEETING SCHEDULE

Harold Shirley made the motion to approve the 2006 Board meeting schedule (copy attached). John Carman seconded the motion and the Board unanimously agreed.

OTHER ITEMS

Chair Flint asked Steve Wilde if the rumor was true that he was retiring. Steve said yes. He planned on retiring December 15. He said he and his wife, Laura, plan to travel in South America and in Europe. Chair Flint expressed appreciation to Steve for his many years of service to the Board and Division of Water Resources. He said "I like the way you present your cases and respect your judgment. You're a great employee." Steve said he had appreciated working with the many Board members over the years, and also appreciated the support the Board has given him and his staff.

Meeting adjourned at 11:55 a.m.

Approved

BOARD OF WATER RESOURCES

BRIEFING MEETING

October 28, 2005

9:30 a.m.

Room 314

Department of Natural Resources Building

1594 West North Temple

Salt Lake City, Utah

Board of Water Resources
Briefing Meeting
October 28, 2005

Attendees:

Ivan Flint
Brad Hancock
Warren Peterson
John Carman
Blair Francis
Harold Shirley
George Harmond Jr.
Paul McPherson

Dennis Strong
Eric Millis
Steve Wilde
Todd Adams
Eric Edgley
Geralee Murdock

Welcome/Chair's Report

Chair Flint welcomed everyone to the meeting and referred the Board members to a letter each had received from NUCOR with concerns regarding the proposed construction of Washakie Dam in Box Elder County. Dennis Strong stated he replied to NUCOR's letter and gave a copy to each Board member. Dallin Jensen, Paul Riley and the Division of Drinking Water also received letters from NUCOR.

Dennis Strong introduced Todd Adams who provided information about this season's cloud seeding project. Mr. Adams provided statistics on last year's cloud seeding project and what is planned for this year.

Eric Millis introduced Eric Edgley, Manager of the Division's Technical Service Section. Mr. Edgley explained the water related land use program and that staff goes out each summer and surveys a portion of the state to determine what crops are being grown. From that, estimates of water use by those crops can be made. Eric Millis said Eric Edgley helped develop the program so that we receive much more accurate data.

Dennis Strong talked about the recent Water Funding Task Force meeting. He said the Task Force identified four pieces of legislation legislators will be preparing for the next session: 1) The Bear River Development Act will be amended to allow for preliminary work prior to construction as long as the legislators approve the funds, 2) A bill removing the cap on the 1/16% sales tax will be prepared so the additional funds can be used for the Bear River

Development Act and the Lake Powell Pipeline and other projects, 3) The Lake Powell Pipeline will be authorized by statute as a project sponsored by the state of Utah, 4) A bill dedicating part of the surplus funds will be used for water development after the rainy day fund and other requirements are taken care of. All of the funds used to plan and construct projects will be paid back by the water districts.

Eric Millis stated staff has attended most of the Water Issues Task Force meetings. Mr. Millis said the Task Force was given several assignments including groundwater management, administration of groundwater and surface water, instream flows, water conservation and reuse. Last year the Task Force focused on water rights enforcement and penalties. This year they focused on administration of groundwater and surface water and water reuse. It is probable that next year, if the Task Force is extended, they will study water conservation and instream flows. He said the Water Coalition is an informal group of water attorneys and consultants who have provided a lot of input to the Task Force. The Water Coalition will meet one more time before the Water Issues Task Force meeting. Warren Peterson said they have become a good focus group.

Eric Millis said the Ground Water Management Plan Bill to be presented in the 2006 general session of the Legislature codifies the State Engineer's process for developing a groundwater management plan. He said the Water Re-use Requirements Bill will also be presented in the 2006 general session. If approved they will allow reuse of water by a public agency, including water for which water rights are not owned by the agency where a reuse contract exists among the parties involved, establishes a process for approval of a water reuse project. The bill requires the State Engineer base his approval on the underlying water rights considering the effects of a water reuse project on downstream users. The Division of Water Quality considers the effects on water quality in using its permit.

Discussion of Projects

Circleville Irrigation Company

Steve Wilde said water is diverted from the South Fork of the Sevier River in three places. Radial gates in two of the diversion structures are 50-60 years old and in need of replacement, turnouts along three of the major canals are hard to operate and need to be replaced, and also a section of ditch in Circleville needs to be piped. The company will receive a grant in the amount of $458,000 as the project falls under the Central Utah Project (CUP) Completion Act Section 206. Warren Peterson said although Sevier and Millard counties were originally part of the CUP, however the two counties withdrew from it, and are not eligible for grant money through Section 206. The sponsor's grant money is part of a one-time block that comes to the county for allocation to areas of need.

Dry Gulch Irrigation Company

The Dry Gulch Irrigation Company's Fox and Crescent Lake Dams, located in the High Uintas Wilderness Area, are in need of repair and upgrades. Because of the location in a

wilderness area, equipment and materials will need to be flown in by helicopter or packed in on horses. Both dams are rated 'moderate hazard' by the State Engineer's office and are not eligible for dam safety funds, however the U.S. Forest Service is requiring the dams to be repaired in order for the irrigation company to keep its Special Use Permit.

Brad Hancock said the company will be asking for a grant to repair these dams even though they are not on the State Engineer's high hazard dam list. Dennis Strong replied the Board does not have statutory authority to give a grant if the dams are not on the high hazard list. He explained dams on the high hazard list are there because of potential failure consequences, not the conditions of the structures.

Lindon City

Mr. Wilde said the city is requesting financial assistance to replace about a half mile of 10-inch steel pipeline with 12-inch ductile iron pipe and installing four fire hydrants. Paul McPherson said the project was pretty straight forward as the city has pipe that leaks and it is fixing leaks continually.

Corinne City

The city is requesting financial assistance to improve its culinary water system by replacing about 2.8 miles of 2-inch steel distribution pipeline with 6 and 8-inch PVC and installing fire hydrants. Blair Francis said he met with the company and felt it was a good project.

Utland Ditch Co.

Steve Wilde said the project would only be for authorization instead of both authorization and committal of funds as shown in the Board folder. The company is requesting assistance to combine the Purdy and Utland diversions into the Purdy diversion, replace two ditches with 6.5 miles of transmission pipeline, and install 12 new propeller meters. Mr. Wilde said although the company applied to the Board in 1993 for essentially the same project, it was not able to receive federal funds so it withdrew the application. It now has an NRCS grant for $750,000.

Other Items

Dennis Strong passed out a copy of a proposed Board meeting schedule for 2006. Mr. Strong asked for suggestions for meetings in June and July. It was suggested it would be good to tour the Strawberry Valley and the Provo Reservoir Canal in July. The schedule will be adopted in the December meeting.

Meeting adjourned at 12 noon.

Approved

MINUTES OF THE
BOARD OF WATER RESOURCES MEETING

October 28, 2005

Auditorium
Department of Natural Resources Building
1594 West North Temple
Salt Lake City, Utah

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SUMMARY OF BOARD ACTIONS

1. The Minutes of the September 29 and 30, 2005 meetings were approved as prepared. page 1

2. The Circleville Irrigation Company project was authorized in the amount of $115,000 (19%) to be returned with annual payments of $8,000 at 0% interest over approximately 15 years. page 2

3. The Board authorized the Dry Gulch Irrigation Company project in the amount of $221,000 (85%) to be repaid in 20 years at 0% interest. page 3

4. The Lindon City project was authorized in the amount of $256,000 (95%) to be repaid in 10 years at 5% interest. page 3

5. The Board authorized the Corinne City project in the amount of $326,000 (85%) to be repaid in 10 years at 5% interest with escalating annual payments. page 4

6. The Newton Water Users Association project was withdrawn from further consideration by the Board. page 4

7. The Utland Ditch Company project was authorized in the amount of $270,000 (22.5%) to be returned with annual payments of $17,000 at 0% interest over approximately 16 years. page 5

THOSE PRESENT

The Utah BOARD OF WATER RESOURCES met in regular session on Friday, October 28, 2005, in the Auditorium of the Department of Natural Resources Building, 1594 West North Temple, Salt Lake City, Utah. Chair Ivan Flint presided over the 1:00 p.m. meeting.

BOARD MEMBERS PRESENT:

Ivan Flint
Brad Hancock
Blair Francis
Warren Peterson
Harold Shirley
John Carman
George Harmond, Jr.
Paul McPherson

STAFF MEMBERS PRESENT:

Dennis Strong, Deputy Director
Eric Millis, Asst. Director
Randy Staker, Accountant
Todd Adams, Chief, Hydrology and Computer Applications
Steve Wilde, Chief, Investigations
Dan Aubrey, Chief Geologist
Val Anderson, Engineer
Shalaine DeBernardi, Engineer
Russell Hadley, Engineer
Bill Leeflang, Chief Engineer
Geralee Murdock, Administrative Secretary

OTHERS PRESENT:

Richard Noble, Franson Noble Engineering
Jay Franson, Franson Noble Engineering
Eric Dixon, Franson Noble Engineering
Kurt Sorenson, President, Piute Reservoir Co.

David Marble, Dam Safety Engineer, Division of Water Rights

Chris Fullmer, President, Circleville Irrigation Company

OTHERS PRESENT CONT'D:

Kelly Bird, President, Dry Gulch Irrigation Company
Randy Crozier, General Manager, Duchesne County Water Conservancy District

Jeff Acerson, Mayor, Lindon City
Ott H. Dameron, City Administrator, Lindon City
David C. Thurgood, Engineer, J-U-B Engineers

DeVerle Wells, Mayor, Corinne City
Don C. Miller, Corinne City

Alarik F. Myrin, President, Utland Ditch Co. Inc.

MINUTES OF THE
BOARD OF WATER RESOURCES MEETING
October 28, 2005

Chair Ivan Flint welcomed everyone to the meeting

APPROVAL OF MINUTES

Harold Shirley made the motion, seconded by George Harmond Jr. to approve the minutes of the September 29 and 30, 2005 Board meetings as prepared. The Board agreed unanimously.

CHAIR'S REPORT

Chair Flint said it is important to get the Bear River Development Act and the Lake Powell Pipeline water projects financed. He said Governor Olene Walker assigned a committee (Water Funding Task Force) to study how to finance these projects. Ed Alter was asked to be the chair and the Task Force has now come up with ways to finance these two projects. Mr. Flint said now is the time to choose reservoir sites, purchase rights-of-way, and do necessary studies preparatory for construction.

Mr. Flint referred to a letter received from NUCOR regarding the negative impact the Honeyville Site (Bear River Development Act) could have on them. Dennis Strong, Deputy Director answered the letter and replied to NUCOR's concerns. (The response letter was given to the Board members.)

Dennis Strong said the Water Funding Task Force has identified four pieces of proposed legislation for the next session: 1) An amendment to the Bear River Development Act allowing the Legislature to appropriate monies to start the process for pre-construction activities; 2) The Lake Powell Pipeline will be authorized by a statute as a water development project sponsored by the state of Utah; 3) Legislation to remove the 1/16% sales tax cap to provide funds for the Bear River Development Act and the Lake Powell Pipeline and other projects; and 4) Legislation dedicating part of the state's surplus funds to future water development. Mr. Strong said if those bills pass they will be significant statements of support from the Legislature for future water development.

FEASIBILITY REPORTS

#E-166 Circleville Irrigation Company

Chair Flint introduced Chris Fullmer, president. Steve Wilde reported Circleville Irrigation Company provides flood irrigation water to about 5,800 acres of farmland and 200

acres of residential lawns and gardens. Water is diverted from the South Fork of the Sevier River in three places and is transported and distributed through unlined canals and ditches.

Radial gates in two of the diversion structures were installed in the 1940s and are in need of replacement; turnout structures on the West, Kingston and Dalton canals leak and are hard to operate, and there are safety and maintenance issues connected with a ditch that runs through Circleville.

The company is requesting financial assistance to replace the two radial gates, replace turnouts along the West, Kingston, and Dalton canals, and pipe about 1,800 feet of ditch in town. The estimated cost of the project is $611,000. The company will receive a Central Utah Water Conservancy District Section 206 grant in the amount of $458,000 through the Upper Sevier River Water Conservancy District. The company is requesting the Board provide $115,000 or 19% of the total estimated cost.

Warren Peterson asked Mr. Fullmer, who is also chairman of the Upper Sevier River Water Conservancy District, how the CUP 206 money would be allocated throughout Piute County; Mr. Fullmer explained the various projects. He then said the Circleville project was necessary because of the condition of the radial gates and the open ditch that runs through the residential area of town.

Warren Peterson made the motion to authorize the Circleville Irrigation Co. project in the amount of $115,000 (19%) to be returned with annual payments of $8,000 at 0% interest over approximately 15 years. Blair Francis seconded the motion and the Board agreed unanimously.

#E-176 Dry Gulch Irrigation Company

John Carman declared a conflict of interest and will abstain from voting on the Dry Gulch Irrigation Company project. Chair Flint introduced Kelly Bird, president; and Randy Crozier, general manager of the Duchesne County Water Conservancy District. Russell Hadley reported the proposed project is located in the High Uintas Wilderness Area of Ashley National Forest, about 36 miles north of Roosevelt in Duchesne County. The outlet works of both Fox and Crescent Lake Dams are in need of repairs and upgrades, as are the dikes, spillway, and wet well of Fox Lake Dam.

The company is requesting financial assistance to repair and upgrade both Fox and Crescent Lake Dams. Because of their location in a wilderness area, equipment and materials will need to be flown in by helicopter or packed in on horses. Design and construction engineering services will be provided by CH2M Hill. The project is estimated to cost $260,000. Because both Fox and Crescent Lake Dams are rated “moderate hazard” by the State Engineer’s office, they are not eligible for Board dam safety funds.

The company’s water rights are very complicated and involve flows from the Uinta and Lake Fork rivers as well as storage rights in Moon Lake Reservoir, Montez Creek Reservoir, and various high lakes in the Uinta Mountains.

Randy Crozier explained the restrictions the Forest Service has placed on the irrigation company regarding construction. He also asked the Board to consider a 20-year repayment instead of staff's recommended 15 years. Kelly Bird said the stockholders depend on the reservoirs. They do not have any other storage on the Uinta River.

Brad Hancock made the motion to authorize the Dry Gulch Irrigation Company project in the amount of $221,000 (85%) to be repaid in 20 years at 0% interest. Warren Peterson seconded the motion. The Board agreed; John Carman abstained from voting.

#L-554 Lindon City

Chair Flint introduced Mayor Jeff Acerson, Ott Dameron, City Administrator and David Thurgood, J-U-B Engineers. Val Anderson reported the city currently supplies culinary water from springs and wells, through a system rated "Approved" by the Division of Drinking Water, to 2,240 connections. It also distributes pressurized irrigation water to a large percentage of the culinary connections. Much of the system was constructed in the 1940s and 50s with steel pipe that has corroded, leaks, and is too small to provide adequate service to areas of the rapidly growing city.

The city is requesting financial assistance to improve its culinary water system by replacing about a half-mile of 10-inch steel pipeline with 12-inch ductile iron, and installing four fire hydrants. Technical assistance is being provided by J-U-B Engineers in Orem. The total estimated cost is $270,000.

Mayor Acerson expressed appreciation to the Board for its consideration and said the city had appreciated the assistance it had received in the past. Paul McPherson made the motion to authorize the Lindon City project from the Cities Water Loan Fund in the amount of $256,000 (95%) to be repaid in 10 years at 5% interest. George Harmond, Jr. seconded the motion and it was unanimously agreed upon by the Board.

#L-555 Corinne City

Chair Flint introduced DeVerle Wells, mayor and Don Miller, City Planner. Russell Hadley reported Corinne City supplies culinary water to 245 connections. Two areas northwest and west of the city have old 2-inch steel distribution pipelines with lead joints that need to be replaced. The city is requesting financial assistance to replace about 2.8 miles of 2-inch steel distribution pipeline with 6 and 8-inch PVC, and install 16 fire hydrants. Technical assistance is being provided by Hansen & Associates in Brigham City. The project is estimated to cost $384,000. Corinne has had two previous projects with the Board; both have been paid off.

Mayor Wells said the 2-inch line needs to be replaced as he's been told for years that more water is lost from that line than transported. He also said the city is glad it will be able to

improve fire protection with the additional fire hydrants; it received a grant for a fire truck this year.

Blair Francis made the motion to authorize the Corinne City project in the amount of $326,000 (85%) to be repaid in 10 years at 5% interest with escalating annual payments. Paul McPherson seconded the motion and the Board unanimously agreed.

SPECIAL ITEMS

#E-100 Newton Water Users Association

The association requested assistance to replace, with five miles of plastic pipeline, a deteriorated concrete-lined irrigation canal carrying water from Newton Reservoir to farmers' fields. The association's water rights are in the name of the Bureau of Reclamation and can not be transferred to the Board as security for financial assistance, plus shareholders do not want to pursue using shares of stock as security. The association, is therefore, not interested in pursuing the project at this time because of indecision regarding obtaining water security.

Blair Francis made the motion, seconded by Harold Shirley to withdraw the Newton Water Users Association project from further consideration by the Board. The Board agreed unanimously.

#E-182 Utland Ditch Co.

Chair Flint introduced Alarik Myrin, president of the company. Val Anderson reported the company delivers irrigation water from the Lake Fork River into upper (Purdy) and lower (Utland) ditches to nine shareholders who flood and sprinkle irrigate about 1,300 acres of farmland. The conveyance loss through these two unlined ditches is estimated at about 720 acre-feet annually. The company has two 8-inch propeller meters that have operated 15 years without problems, and a 12-inch and two 15-inch propeller meters that have operated four years without problems.

The company is requesting financial assistance to combine both current diversions into the Purdy diversion, replace both ditches with 6.5 miles of transmission pipeline, and install 12 new propeller meters. The pipeline will tie into existing sprinkle irrigation systems. Technical assistance is being provided by the Natural Resources Conservation Service (NRCS) in Vernal. The estimated cost of the project is $1.2 million. The NRCS will provide a grant of $750,000 (62.5%). The company is requesting the Board provide $270,000 (22.5%), and the company will pay $180,000 (15%).

Company shareholders have authorized an annual share assessment of $25. They currently pay $7 to two other water user groups, leaving $18 for the proposed project. Multiplying $18 by 936 project shares equals about $17,000. The company therefore requests staff's recommended purchase agreement of $23,480 annual payments over approximately 12 years be changed to $17,000 over approximately 16 years. Mr. Anderson said the company was

unable to complete all the conditions for committal of funds so staff is recommending the project be considered for authorization only.

Mr. Myrin said the company appreciated Val's work. The company thinks this is a good project as it consolidates two separate river headings into one heading, and also replaces the open ditches with transmission pipeline. Brad Hancock asked Mr. Myrin about the propeller meters. Mr. Myrin said there's been quite a long ongoing discussion on the issue of meters. He said the company has had good success with the propeller meters and wants to install more as the meters give a good, accurate account of how water is distributed to all the shareholders. Mr. Myrin said the project is really critical to the long-term functionality of all farms on this system.

Brad Hancock made the motion to authorize the Utland Ditch Company project in the amount of $270,000 (22.5%) to be returned with annual payments of $17,000 at 0% interest over approximately 16 years. John Carman seconded the motion and it was unanimously agreed upon by the Board.

DIRECTOR'S REPORT

John Carman said Mike Wilson, General Manager, of the Metropolitan Water District of Salt Lake and Sandy has offered to host a tour and/or a Board meeting in either June or July of 2006. Dennis Strong said the Board would plan on it in June as July is a good time to tour Central Utah.

Mr. Strong introduced Richard Noble of Franson and Noble Engineering; Mr. Noble introduced Kurt Sorenson, president of the Piute Reservoir and Irrigation Company and Eric Dixon, project manager of the Piute Dam rehabilitation project. Mr. Noble also introduced David Marble of Dam Safety and Bill Leeflang of Water Resources who were also an integral part of the project.

Eric Dixon showed pictures of the project to the Board. Mr. Noble said in September they traveled to Orlando, Florida, to attend the annual conference of the Association of State Dam Safety Officials to receive the award for the National Rehabilitation Project of the Year for Piute Dam. He said unique and innovative engineering design created savings of an estimated $4 to $6 million. The rehabilitation project brought Piute Dam into compliance with Utah's dam safety standards and improved safety to downstream residents. Funding for the project was provided by the Utah Board of Water Resources.

Mr. Noble said at the conference they had a display showing the various stages of construction of the dam, and he presented a miniaturized version of the display to the Board as a token of appreciation for the Board's support. Chair Ivan Flint and Deputy Director Dennis Strong were asked to have a picture taken with the display. Mr. Noble then presented a pewter statue of an engineer looking over a set of plans for a dam to both Dave Marble and Bill Leeflang. He also presented one to Kurt Sorenson to recognize his involvement as president of the Piute Reservoir and Irrigation Co. and also one to Eric Dickson, project manager.

NEXT BOARD MEETING

Dennis Strong said the next Briefing Meeting and Board meeting will be held on December 9, 2005, followed by a Christmas luncheon at the Lion House at 1 p.m.

Meeting adjourned at 2:55 p.m.