

Uintah Water Conservancy District

Board of Trustees
Annual Meeting Minutes
April 12, 2022

Approved

Conducting: Chairman Quentin Johnson called the April 12, 2022, Annual Meeting to order at 10:00 a.m. at the District Office and welcomed guests.

Present:

Trustees: Quentin Johnson, Tyson Murray, Dean Baker, Todd Thacker, Shane Frost, Greg Witbeck and Mitch Phillips.

Others: William Merkley, UWCD General Manager; Mary Searle, UWCD Clerk; John Hunting, UWCD O&M Manager; Dave Rasmussen, UWCD Consultant; Bart Jensen, Jones & DeMille; Jeremy Larsen, Sunrise Engineering; Craig Nebeker, CRS Engineers; Dan Larsen, Colorado River Authority of Utah; Wayne Simper, Central Canal; Ritchie Anderson, Brad Haslem Investments; Mike Miles, CPA, Aycock & Miles; Scott Elliott, Bureau of Reclamation; David Robertson, Lewis Young Robertson & Burningham, and Eric Hunter, Chapman and Cutler, LLP, attended electronically.

Approval of Minutes Shane Frost made a MOTION that was SECONDED by Greg Witbeck and passed unanimously to approve the March 8, 2022, Board Meeting minutes.

Elections Shane Frost made a MOTION that was SECONDED by Greg Witbeck and passed unanimously to suspend the rules and retain the current officers, i.e., Quentin Johnson, Chairman; Tyson Murray, 1st Vice Chairman; Dean Baker, 2nd Vice Chairman, William Merkley as Secretary-Treasurer; and Mary Searle as District Clerk.

2021 Financial Audit Report Mike Miles went through the audit report and reported that there were no findings. Shane Frost made a MOTION that was SECONDED by Todd Thacker and passed unanimously to approve the 2021 Financial Statements as presented.

2021 Annual Report William Merkley reported that some things were carried forward from previous Annual Reports to give our new board member some background on happenings in the District. He stated that the District re-financed five loans for a savings of approximately \$35,000/year. There was a table indicating the water rate increases that were approved. He expressed appreciation to John Hunting for keeping such an accurate record of water deliveries. A new section included the District Boundary Realignment to include the current boundaries of Vernal City. Herb Snyder, who was the representative of that District for almost 20 years passed away in 2022 after he was replaced by Mitch Phillips. William also drew attention to the paragraph where the Colorado River Authority of Utah was

created and we have Dan Larsen representing our area. Todd Thacker made a MOTION that was SECONDED by Dean Baker and passed unanimously to approve the Annual Report as presented.

**Colorado River
Authority of
Utah**

Dan Larsen reported on the Colorado River Authority of Utah. In their February meeting they discussed the advisory councils and gave suggestions about the organization. With the passage of S.B. 160, he now represents Daggett, Duchesne and Uintah Counties. He is meeting today with Amy Haas, Executive Director, to go over the management plan, which they will be voting on next week as far as managing Utah's share of the Colorado River. H.B. 168 regarding appropriation of water would result make it so a priority date would not matter if the governor determined an emergency existed, the state water engineer would have to pull that water. The preference would be for fire, drinking water or power. The only water they could look at is agriculture water. Ron Winterton is going to go back and try to get different wording in the bill to protect agriculture water that it would be voluntary and compensated. They allowed for a representative from three tribes in Utah but the Ute Tribe is the only one that showed interest.

**Green River
Water**

Ritchie Anderson, representing Brad Haslem Investments, LLC, is requesting to lease Green River water. The Board would like the option to raise the \$5 annual lease fee after the first ten years. Todd Thacker made a MOTION that was SECONDED by Shane Frost and passed unanimously to approve the lease of 200 acre-feet and requested that the contract be updated.

**Operations
Updates**

Steinaker Reservoir is at elevation 5483.71 with an active capacity of 11,242 acre-feet and an inflow of 28 CFS. Red Fleet Reservoir is currently at elevation 5574.18 with an active capacity of 11,912 acre-feet and inflow of 19 CFS. Brough is at elevation 5110.24 with an active capacity of 2,981 acre feet and is full. Cottonwood is at elevation 5261.38 with an active capacity of 5,290 acre feet and is reading about 6" low. Pelican is over full.

Allotments

Shane Frost made a MOTION that was SECONDED by Mitch Phillips and passed unanimously to set the Steinaker allotment at 50% and the Red Fleet allotment at 40% with those numbers being adjusted as run-off comes and capacities change.

**Final Cost and
Repayment
Schedules**

We finally received the final cost for the 2018 repair of Steinaker right abutment. The initial estimate was \$43,900,000 but the final cost was \$26,432,626. The District 15% share of that is \$3,964,894 plus interest during construction of \$86,324. That interest is added to the M&I portion because the irrigation portion is interest-free. The irrigation portion of that payment will not start until the year 2033 and go to the year 2071 and will be a yearly payment of \$52,865 divided among all irrigation project water users. The M&I portion will start this year and continue until 2071. Vernal City, Ashley Valley Water & Sewer and Maeser will be billed for their 1600 acre-feet.

The Bureau of Reclamation converted 400 acre-feet from irrigation to M&I water that is currently being used for lawns and gardens and we need to develop a process to identify where this conversion is taking place. The District will carry that portion of the repayment until this process is complete. The irrigation portion will be billed out based on the number of shares.

**Service Canal
Enclosure
Project**

The Bureau of Reclamation surveyed the entire right-of-way for Reaches 2 & 3. Almost every landowner is encroaching to some degree. The Bureau will come next week and visit with the worst of the offenders. We may not have room for our project because of the encroachments. The Bureau will send letters. We plan to be good neighbors. We need to identify what will be required with our contractors and we need to re-adjust fences.

Thompson Pipe Group gave a presentation about fiberglass pipe to the District, engineers and the Bureau. Different materials competing should help to get better prices. We are planning to use HDPE on the turn-outs. The fiberglass would not go to the vaults. It is guaranteed 100+ years in the ground. There is concern about leaking around the joints and the fact that it has not been used in this part of the world. There are factories in Mexico, Colombia, Spain and Turkey. The board felt that the fiberglass people should be allowed to bid.

Funding for the project would come from (1) State of Utah Water Optimization Grant through Utah Department of Ag and Food; (2) Bureau of Reclamation Infrastructure Funding; (3) Board of Water Resources low interest loan. Eric Hunter and David Robertson have looked at the cash flow of the District and are suggesting a \$27 million Water Revenue Bond. We would present the project to the Board of Water Resources on May 5 and then, if the project is approved, we would approach them on June 17 for funding. In anticipation of a favorable decision from them, they have put together bond parameters that would provide flexibility for funding. After some discussion Greg Witbeck made a MOTION that was SECONDED by Tyson Murray and passed unanimously to pass Resolution 2022-04-12A and authorize Quentin Johnson to sign it. The next step is to go meet with the Board of Water Resources and the Bureau of Reclamation.

**Red Fleet MOA
Project**

Ben Kirk issued a report that the pumping plant is complete. There are some issues that we are communicating with the contractor about. One of the VFD driven units is tripping out randomly. Every time this happens, we notify the contractor and the Bureau so they can log it. This is all under warranty. Final walk-through was yesterday on the re-coating of the tank and they will do touch-ups when the scaffolding comes down. They will be moving down to Red Fleet Dam to re-coat the by-pass lines this week. Bureau of Reclamation will start July 19 on the toe drains. We will work with the Bureau of Reclamation to get more MOA funds to cover extra costs since the materials are almost double what we were anticipating. We may have to delay work on the spillway until we get the additional funds.

**Green River
Pumping Plant
Expansion**

When we submitted a 40-year plan extension last year for the Green River water right, it was discovered that we had never filed proof on the Pump Station. There are two different water rights involved in this project, one for 8,500 acre feet and one for 1,500 acre feet for a total of 10,000. They were waiting for the full 10,000 to be allocated to the water users and at present we only have 7,585. Andrew Dutson highly recommended that we file proof on what we are using and deal with the other 2,415 acre feet as we develop it. Sunrise agreed to take on this project to file proof for a fee of \$10,500. Shane Frost made a MOTION that was SECONDED by Dean Baker and passed unanimously to approve the work order to submit proof on this project.

Shane Frost has gained commitments from Ouray Park shareholders for 210 acre feet directly out of the Cottonwood system. Brough system should be limited to 75% because it has to be delivered through the jumper pump and Cottonwood. They requested 585 which would make it 439 acre feet. There are about 649 acre feet requested. The District will receive \$12.50 per share as an application fee. Tyson Murray made a MOTION that was SECONDED by Shane Frost and passed unanimously to sell Ouray Park shareholders 649 more shares of Green River water.

The Booster pumps are installed but not tied to electricity yet.

**VU Efficiency
Project
Watershed Plan**

Bart Jensen reported they got comments addressed and turned in about four weeks ago but have not heard anything back yet. They haven't addressed the comments yet.

**Uinta River
Bifurcation**

Bart Jensen reported that the WaterSMART grant application is turned in. They are still going through the review process. That should be done in the next few weeks. The next step is to meet with Ken Moon on the accessing the second structure location. We will start looking at any existing easements or rights-of-way to avoid trouble.

**Service Canal
Automation**

Bart reported that we are close to having the RFP's sent out to contractors. We have a 30% set of design drawings and bid schedule that we will provide to the contractors. They will submit qualifications and preliminary pricing on what it takes to complete the project. When we get them on board, one of those bid items will be design assist that we will pay them to help us get all technical specs for electronics and actuators and things all bundled together. At that point, they will submit updated pricing and additional bid items not included in the first bid schedule at the end of the design. If the pricing seems reasonable, the Board can select them to move on and finish the project. If we feel their pricing is too high, we just pay them and put it out to bid to general contractors. We should be ready to advertise next week.

**Upper/Highline
Metering Project**

All the meters (approximately 170) for the turnouts have been ordered but only the 2" have been delivered. There is a backlog on delivery. The project is nearly complete. We have requested 50% of the billing from a WaterSMART grant and

50% has been billed to the canal companies. We are purchasing and installing on behalf of the canal companies.

DG&T Tax Refund

Deseret Generation and Transmission appealed their property taxes assessment from 2019 and the court ordered an adjustment. The impact to the District is that our 2019 tax income was reduced by \$26,164.12.

Financial Statements

Shane Frost made a MOTION that was SECONDED by Tyson Murray and passed unanimously to approve the March 2022 financial statements.

Invoices

Shane Frost made a MOTION that was SECONDED by Dean Baker and passed unanimously to approve paying Basin Irrigation \$32,863.16; Bowen Collins \$13,889.51; George Weldon Construction \$2,727; Jones & DeMille \$2496; Parrish Welding \$1846.12; Talon Field Services \$36,388; for a total of \$90,209.79.

Employee Bonus

In appreciation of the extra time and effort employees have put in to get the projects done, Shane Frost made a MOTION that was SECONDED by Mitch Phillips and passed unanimously to approve bonuses to the following: John Hunting \$500, Chris Brough \$200, Butch Buononato \$200, Heath Penrod \$200, and Dustin Nebeker \$200.

Resolution 2022-04-12

Shane Frost made a MOTION that was SECONDED by Todd Thacker and passed unanimously to reapprove the 2020 Water Conservation Plan and approve Quentin to sign it.

Hydrology Report

We had some early season run-off but it stopped and the last storm added to the snow pack. Fall rains helped saturate the soil which may help the runoff. Ashley Creek and Brush Creek are about 75% of normal. If we continue to see cycles of dropping the reservoirs back to the conservation pool each year, we might want to consider setting the allocations at a lower percentage to let the reservoirs heal.

Manager Report

We will talk about Green River water in next month's meeting.

Adjourn

Todd Thacker made a MOTION to adjourn which was SECONDED by Dean Baker and passed unanimously. The meeting was adjourned at 12:29 p.m.