

Uintah Water Conservancy District

Board of Trustees
Board Meeting Minutes
June 14, 2022

Approved

Conducting: Chairman Quentin Johnson called the June 14, 2022, Board 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; Bart Jensen, Jones & DeMille; Aaron Averett, Sunrise Engineering; Wayne Simper, Central Canal Co. Monty Pratt, Brush Creek Distribution; Scott Elliott, Bureau of Reclamation; Tony George, Ken Long, Butch Kidd, Dyle Webster, Rock Point Canal. Mike Collins and Jordan Oyler attended electronically.

Approval of Minutes Shane Frost made a MOTION that was SECONDED by Dean Baker and passed unanimously to approve the May 10, 2022, Board Meeting minutes after clarifying that only shareholders serviced by exchange from the new booster pumps would cover these new costs.

Operations Updates Steinaker Reservoir is at elevation 5500.73 with an active capacity of 20,613 acre-feet and an inflow of 73 CFS with 98 going out. Red Fleet Reservoir is currently at elevation 5585.82 with an active capacity of 15,983 acre-feet and inflow of 42 CFS with 41 going out. We are pumping 4 CFS out through the pumping plant for culinary. Brough is at elevation 5103.18 with an active capacity of 1,985 acre feet with 3 CFS coming in and 5 CFS going out. Cottonwood is at elevation 5245.5 with an active capacity of 2,540 acre feet with 15 CFS going out. Pelican is at elevation 4,801.6 with an active capacity of 8,512 acre-feet. The Green River pumps have pumped 679.9 acre-feet with 171 of that going to Brough. We have been able to keep up with demand pumping in the off-peak times. We are running water to Stewart Lake for the fish.

Public Hearing Relating to Bonds Dean Baker made a MOTION that was SECONDED by Todd Thacker and passed unanimously to open the Public Hearing relating to the Issuance of Water Revenue Bonds. This is a step we have to go through to request money from the Utah Board of Water Resources to enclose the next section of the Service Canal. Letters were sent to all UWCD customers and notice was put on the Utah Public Meeting Notice website. The Resolution was passed in the April 2022 Annual Meeting. We now have the final design and engineer's estimate. We have received bids on pipe material. We have bids back from contractors for installation of the pipe. We are looking at a 40-year loan at 1% interest. This will

depend on what our company can handle in debt. There was no public comment. Shane Frost made a MOTION that was SECONDED by Mike Phillips and passed unanimously to close the Public Hearing.

Service Canal
Enclosure
Project

Mike Collins reported that we received bids for two kinds of pipe: Fiberglass and HDPE (both big and small). Jordan reported that the fiberglass was much more expensive than HDPE. We received bids to install the pipe from three contractors: BHI, Ames and WW Clyde. Completing Reach II would cost \$15 million, Reaches 2 and 3A would cost \$24 million, and all three reaches would cost \$36 million. Those costs include both materials and installation. Ames and BHI were within \$30,000 of each other. Jordan has checked through both bids and all the math appears to be correct. Installation is less for fiberglass but the material was very expensive. The District will purchase the pipe then it would be the contractor's responsibility to make the materials work. The plan is to drain the Service Canal starting September 1 and have it dry enough to begin construction September 15.

The pipe manufacturer is ready to start delivering pipe July 15. The problem is we have to have a place to store it. The Bureau of Reclamation from Provo will come out and clear potential staging areas for environmental compliance. The project team met Friday and discussed what funding was available. Two sources that are loan funds are the Board of Water Resources and the Bureau of Reclamation. We were successful in applying for infrastructure funds in the amount of \$14 million. We can request a fifty-year payment term at 1-7/8%. We will enter into a re-payment contract. The proposal would be to award a purchase agreement with ISCO and a construction contract with BHI. This would be contingent upon being successful with the Board of Water Resources.

The debt re-payment on \$36 million would be too high to finish all three. We would have to increase rates significantly to cover the entire project. We would have to finance \$24-25 million. If we go over that, we would not have any money for emergencies. Reach 2 and 3A is a three-mile project that would get us past some significant problem areas. About 1,032 acre-feet would be saved. The biggest problem is the availability of NRCS funding. If that money is not available, the Board of Water Resources would loan us money to cover but our liability would be greater. After discussion about options, Shane Frost made a MOTION that was SECONDED by Mitch Phillips and passed unanimously to proceed with the \$25.8 million project contingent upon successful negotiations with the Board of Water Resources on Thursday.

Classification of
Steinaker
Storage Water

This is not an issue since the reservoir did not reach 5,503 in elevation. The water remains with the canal companies and the allotment will remain at 55%. The hold ends Thursday but we have to watch the dam 24/7 until the reservoir drops below 5,500. We have made the second hold. We delivered all water that was requested.

Red Fleet MOA Project

The toe drain replacement project will start July 19. We have been working through Tyzack electrical issues of the pump drives randomly tripping. We need to get this fixed while it is under warranty. We fixed the issue of a design flaw in the wiring—one new switch was bad but it got fixed and is working. To take full advantage of variable speed drives, we need to have something to show that we have flow so we don't burn up the motor.

VU Efficiency Project Watershed Plan

The NRCS is coming out for a public meeting. We will show them Steinaker Service Canal and the other canals that have been piped and attempt to help them understand the benefits of grouping all the canals into one efficiency project. Jones and DeMille made revisions that were requested in January, but the Plan has yet to be submitted to the National Water Center for review.

Uinta River Bifurcation

We were granted WaterSMART money in the amount of \$750,000. We are still waiting on the water optimization grant. That could add another \$500,000 to the project. The next step is to set up a stakeholder's meeting but we need to wait until we find out about the grant. There will be two structures now. We want to start one this year and move upstream. We will set up a meeting the end of June or the first of July.

Certified Tax Rate

The State Tax Commission and Uintah County have set our rate. Shane Frost made a MOTION that was SECONDED by Dean Baker and passed unanimously to accept the certified tax rate of .000504.

Financial Statements

Shane Frost made a MOTION that was SECONDED by Mitch Phillips and passed unanimously to approve the May 2022 financial statements.

Invoices

Todd Thacker made a MOTION that was SECONDED by Greg Witbeck and passed unanimously to approve paying Bowen Collins \$56,638.56; Jones & DeMille \$7,258.49; PdM Professionals \$2,437.22; Snow Christensen \$429; for a total of \$66,763.27.

Board Policy - URS

The Utah Retirement System has requested that the board set a policy regarding appointees qualifying for retirement according to state law.

Hydrology Report

The state is still in a drought. Inflow into Lake Powell has continued to drop. They will move water from Flaming Gorge to Lake Powell. That will help us maintain water levels for the Green River Pumps.

Manager Report

We submitted an application for William to be a member on the advisory council to the Colorado River Authority. He was accepted.

Closed Session

Tyson Murray made a MOTION that was SECONDED by Shane Frost and passed unanimously to go into/out of closed session to discuss pending litigation.

Adjourn

Shane Frost made a MOTION to adjourn which was SECONDED by Mitch Phillips and passed unanimously. The meeting was adjourned at 11:50 a.m.