

BOARD OF WATER RESOURCES
Special Item – Authorization & Committal Report



Applicant: **West Panguitch Irr. & Res. Company**

Project Number: RE489
Fund: Conservation and Development Fund
Cost Estimate: \$5,000,000

Application Received: 8/26/2024
Board Meeting Date: 10/10/2024

Board Member: Spencer Jones
Project Manager: Tom Cox

Project Summary: The purpose of the project is to construct a new Panguitch Lake Dam just downstream of the existing structure which was damaged due to a buildup of ice during the winter.

Recommendation: Staff recommends the board authorize and commit 85% of the project cost, up to \$4,250,000, and that the project be purchased at 1% interest over 30 years with annual payments of approximately \$164,700.

Project Contacts:

President:
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Secretary:
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Engineer:
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match that of the existing structure so the maximum water level of Panguitch Lake will remain the same as previously. Technical assistance is being provided by RB&G Engineering.

Benefits

Construction of the proposed new dam will preserve Panguitch Lake and enable the applicant to continue to provide water to its shareholders in a safe manner. Many businesses rely on the lake to attract customers to the area for recreation and other uses.

Cost Estimate

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

Item	Description	Quantity	Unit	Unit Price	Total
1	Mobilization	1	LS	\$350,000	\$350,000
2	Foundation Excavation	1	LS	40,000	40,000
3	Roller Compacted Concrete (RCC)	1	LS	1,900,000	1,900,000
4	Reinforced Concrete	1	LS	550,000	550,000
5	Outlet Works	1	LS	500,000	500,000
6	Instrumentation	1	LS	75,000	75,000
Construction Cost					\$3,415,000
Contingency					1,035,000
Design & Construction Engineering					500,000
Legal and Administrative					50,000
TOTAL					\$5,000,000

Cost Sharing & Repayment

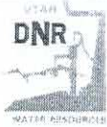
The recommended cost sharing and repayment are:

Agency	Cost Sharing	% of Total
Board of Water Resources	\$4,250,000	85%
Applicant	750,000	15
TOTAL	\$5,000,000	100%

Staff recommends the board authorize and commit 85% of the project cost, up to \$4,250,000, and that the project be purchased at 1% interest over 30 years with annual payments of approximately \$164,700.

It should be noted that if the board authorizes and commits funds at this time, the funding agreement will not be executed until all funding requirements have been met.

It is anticipated that this will be short term funding; that legislative appropriation will be sought after in the upcoming legislative session. If that is obtained, it will be used to pay off the loan.



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.
 - d. 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.
 - e. 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.
 - f. The company is in compliance with sections 73-10-33, 10-9a-211, and 17-27a-211 of the Utah Code governing management plans for water conveyance facilities.
4. Submit or update a water conservation plan for its service area and obtain approval of it from the Division of Water Resources.
5. Obtain approval of final plans and specifications from the Division of Water Resources and Division of Water Rights.