

**CENTRAL UTAH
WATER CONSERVANCY DISTRICT**



**WATER MANAGEMENT
IMPROVEMENT STUDIES**

**“DRAFT” 2006 SUPPLEMENT TO
WATER MANAGEMENT
IMPROVEMENT PLAN**

TO THE U.S. SECRETARY OF THE INTERIOR
AS REQUIRED UNDER PL 102-575 SECTION 207 (b)

APRIL 2006

EXECUTIVE SUMMARY

INTRODUCTION

I. THE CENTRAL UTAH PROJECT COMPLETION ACT – TITLE II

This supplement to the Water Management Improvement Plan fulfills part of the requirements of the Central Utah Project Completion Act (Act), Title II of Public Law number 102-575, which was signed into legislation on October 30, 1992. The purpose of the Act is to develop water conveyance and storage facilities to benefit agriculture, municipal and industrial (M&I) water users, recreation, and fish and wildlife. It empowers the Central Utah Water Conservancy District (District) to administer and manage the completion of the Central Utah Project (CUP) originally authorized under the Colorado River Storage Project (CRSP) and authorizes funding to do so. Throughout this document direct quotes from the Act are *italicized* for ease of reference.

II. WATER CONSERVATION CREDIT PROGRAM

The Act defines water conservation measures as actions taken to improve the efficiency of the storage, conveyance, distribution, or use of water, exclusive of dams, reservoirs, or wells. This definition provides the basis for what was considered water conservation and what type of conservation measures would be counted towards achieving the District water conservation goal as established in the Water Management Improvement Plan (Plan) first submitted to the Department of the Interior (DOI) in January 1995. Subsequent updates to the Plan further defined eligible water conservation measures, funding availability, as well as updating the Water Conservation Goal in accordance with the Congressional funding appropriations and the success of previously implemented measures.

Section 207(e)(2) authorized \$50,000,000 in federal funds, increased by applicable construction cost indices (Indexed), to finance up to 65 percent of the cost of implementing water conservation measures within the District. The remaining funding, a minimum of 35 percent, has come from local sources.

The Credit Program serves two purposes. The first purpose is to identify, evaluate and implement water conservation measures so the District can achieve its goal. The second purpose was to allocate the federal funds made available for water conservation projects through Section 207.

This document is an abbreviated supplement to the Plan containing only certain updates required to incorporate Public Law 107-366 and the Record of Decision on the Utah Lake System. Previous supplements contain more detail on certain aspects of the Plan not covered in this document.

III. FULFILLMENT OF LEGISLATIVE INTENT

Since the approval of the Water Management Improve Plan (Plan) in January 1995, the District has successfully implemented the Water Conservation Credit Program with 123 applications received from entities requesting grant funding. From these requests, the Credit Program has allocated the original authorization of \$50,000,000 (plus indexing) to 35 eligible projects.

Section 207 authorized a comprehensive program to improve water management within the service area of the Central Utah Project. Therefore, Credit Program eligibility will be limited to those counties within the District boundaries (Figure 2.1).

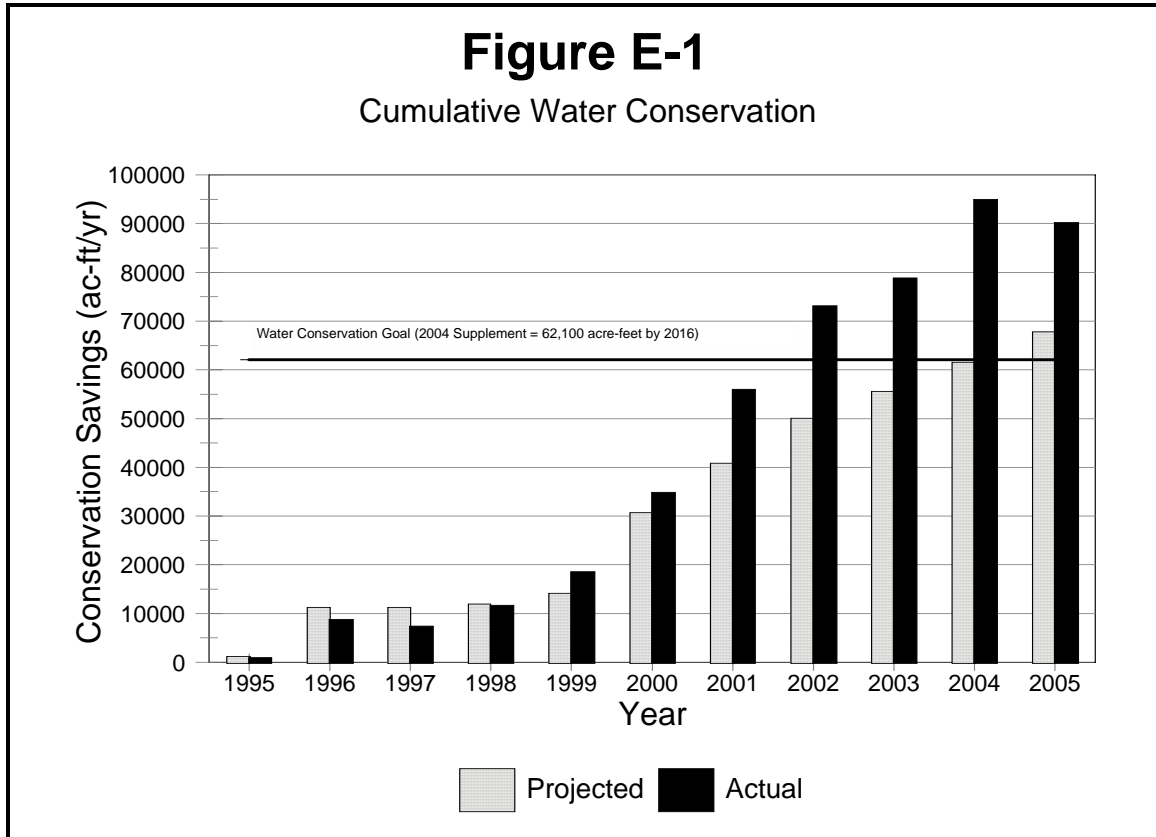
IV. PROJECT TYPES

With the adoption of Public Law 107-366, the Credit Program can now accept applications which focus primarily on “*reverse osmosis membrane technologies, water recycling, and conjunctive use*”. Projects submitted specifically under the categories of water reuse and/or conjunctive use may be permitted to include wells as project features. In addition to NEPA compliance, additional **permitting and approvals may be required for these project types and will need to be in place prior to grant funding.**

V. PROGRESS TOWARDS GOAL

Figure E-1 charts the progress towards the existing water conservation goal as presented in the 2004 Supplement to the Water Management Improvement Plan.

Figure E-1
 Progress towards Credit Program Conservation Goal



VI. CREDIT PROGRAM PROCESS

This document provides the basis of the updated Credit Program and the process applicants are to follow in order to be eligible for grant funding. Several key steps of the Credit Program process are summarized as follows

A. Application

Only project applications on file on March 1st of each year will be considered for funding from the following Federal fiscal year appropriations.

B. NEPA Compliance

In the event that the District determines that the project should be carried forward in the NEPA process, the cost to prepare a Categorical Exclusion will be paid by the District. **If the project requires an Environmental Assessment or an Environmental Impact**

Statement the District will negotiate the costs and funding requirements with the applicant on a case-by-case basis.

C. Active Inventory

Since the program has been revised, any project listed on the Active Inventory prior to March 2006 will need to update their Application and Feasibility Study to conform to the terms and conditions of this document. In addition, applicants may be required to update their feasibility studies annually to remain eligible for grant funding based on future changes to the Credit Program.

D. Prioritization

Future projects will be prioritized based on the following criteria (0-10 point scale):

- Quantity of water conserved
- Environmental enhancement
- Reduction in consumptive use of water
- Total cost per quantity of water conserved
- Public interest
- Educational value

Additional points will be awarded to projects based on the following criteria (0-10 points)

- Conserved water dedicated to the District for instream flows.
- Volume of recycled water which can be counted and applied directly to the contractual obligations of the District under the Utah Lake System (ULS) project repayment contract.
- Volume of water for conjunctive management of surface and groundwater resources.
- Project provides a direct benefit, or is of importance or other CUPCA measures.

Priority in both ranking and funding recommendations will be given to projects determined by the District to be critical to the implementation and success of the ULS project.

VII. CREDIT PROGRAM FUNDING

The federal cost share for implementation of conservation measures shall not exceed 65% of the total project cost. A minimum of 35% of the implementation cost shall be provided by the applicant from **non-federal funds** as the local cost share. Actual federal cost share and grant funding is determined by the District Board of Trustees as outlined above.

As of fiscal year 2006, the District has committed all available Credit Program funds. It is anticipated that additional funding under Section 1(d) of Public Law 107-366 may be available in fiscal year 2009. Since the budget process requires a 30 month lead time, the District would encourage interested applicants to submit applications to the Credit Program as early as possible.

CHAPTER 1

INTRODUCTION

I. THE CENTRAL UTAH PROJECT COMPLETION ACT – TITLE II

This supplement to the Water Management Improvement Plan fulfills part of the requirements of the Central Utah Project Completion Act (Act), Title II of Public Law number 102-575, which was signed into legislation on October 30, 1992. The purpose of the Act is to develop water conveyance and storage facilities to benefit agriculture, municipal and industrial (M&I) water users, recreation, and fish and wildlife. It empowers the Central Utah Water Conservancy District (District) to administer and manage the completion of the Central Utah Project (CUP) originally authorized under the Colorado River Storage Project (CRSP) and authorizes funding to do so. Throughout this document direct quotes from the Act are *italicized* for ease of reference.

A. Water Management Improvement Studies – Section 207

Section 207 of the Act, entitled; "Water Management Improvement", authorized a comprehensive program to study and improve water management within the District. Also included are a Water Pricing Policy Study, the Study of Coordinated Operations, and the Utah Water Conservation Advisory Board. The six stated purposes of Section 207 are:

- *encourage the conservation and wise use of water;*
- *reduce the probability and duration of periods necessitating extraordinary curtailment of water use;*
- *achieve beneficial reductions in water use and system costs;*
- *prevent or eliminate unnecessary depletion of waters in order to assist in the improvement and maintenance of water quantity, quality, and streamflow conditions necessary to augment water supplies and support fish, wildlife, recreation, and other public benefits;*
- *make prudent and efficient use of currently available water prior to any importation of Bear River water into Salt Lake County, Utah; and*
- *provide a systematic approach to the accomplishment of these purposes and an objective basis for measuring their achievement.*

The Act defines water conservation measures as actions taken to improve the efficiency of the storage, conveyance, distribution, or use of water, exclusive of dams, reservoirs, or

wells. This definition, and the stated purposes of Section 207 quoted above, provides the basis for what was considered water conservation and what type of conservation measures would be counted towards achieving the District water conservation goal as established in the Water Management Improvement Plan (Plan) first submitted to the Department of the Interior (DOI) in January 1995. Subsequent updates to the Plan further defined eligible water conservation measures, funding availability, as well as updating the Water Conservation Goal in accordance with the Congressional funding appropriations and the success of previously implemented measures.

Section 207(e)(2) authorized \$50,000,000 in federal funds, increased by applicable construction cost indices (Indexed), to finance up to 65 percent of the cost of implementing water conservation measures within the District. The remaining funding, a minimum of 35 percent, has come from local sources. This section of the legislation authorized an additional \$10,000,000 to *be made available for conservation measures in Wasatch County* and was subsequently made available as part of the Wasatch County Water Efficiency Project.

B. Water Conservation Credit Program

Section 207(b)(5) states that the District shall establish a continuous process for the identification, evaluation, and implementation of water conservation measures. The Act further clarified that it is through this process that the District is to achieve its water conservation goal. The process must be applied to proposed conservation measures in order for them to be credited toward achievement of the goal. To help establish the process, the District created the Water Management Improvement Studies Coordination Committee in 1992. The committee, with representatives from different interests throughout the District, assisted in developing the process. The District has named the process the Water Conservation Credit Program (Credit Program).

The Credit Program serves two purposes. The first purpose is to identify, evaluate and implement water conservation measures so the District can achieve its goal. The second purpose was to allocate the federal funds made available for water conservation projects through Section 207.

While not all conservation measures selected by the District have required federal funds, all conservation measures have been processed under the criteria and guidelines of the Credit Program in order to “credit” their water conservation towards the conservation goal.

Since 1994, the Credit Program has approved funding on 35 projects (2 additional projects had been selected for funding but later withdrew from the program). Table 1-1 lists those projects including the Total Project cost and Ultimate Water Conservation.

Table 1-1
Projects funded under the Credit Program

No.	Project Name	Total Project Cost	Credit Program Dollars Approved	Ultimate Annual Conservation (ac-ft)
712	West Ridge Golf Course and Commerce Park Irrigation	\$373,740	\$242,931	726
724	Water Cooling Tower for Terra Diamond	\$33,960	\$15,000	22
734	Strawberry West Mountain Sprinkler Irrigation Project	\$682,547	\$403,013	626
713	Draper Pressure Irrigation Project	\$10,832,200	\$408,012	5,179
717	Sunshine Pipeline Project	\$1,148,925	\$375,446	1,100
721	Alpine Dry Creek/Fort Canyon Pipeline Project	\$456,600	\$241,200	3,600
733	Kay Family Farm Sprinkler Irrigation Project	\$34,737	\$14,053	63
745	Provo Lion's and South Fork Parks Secondary Systems	\$94,642	\$13,405	45
746	Provo Kiwanis Park Secondary Systems	\$52,321	\$7,411	55
764	Wiser Water Use in Salt Lake City	\$37,110	\$22,700	18
765	Development of Landscape Education Package	\$64,500	\$33,000	26
732	Salt Lake County Runoff Groundwater Recharge	\$12,708,500	\$0	5,800
735	Wasatch County Water Efficiency Project	\$16,258,706	\$10,568,159	23,000
768	Island Ditch Pipeline Project	\$1,428,940	\$900,000	1,748
782	Manti Pressurized Irrigation System Improvements	\$2,952,000	\$1,900,000	4820
798	Thanksgiving Point Water Conservation Project	\$2,106,750	\$1,369,388	1,162
739	Riverton City Secondary Water System Improvements	\$6,857,000	\$4,457,050	5,580
770	East Juab Water Efficiency Project	\$10,433,000	\$6,000,000	6785
806	Pleasant Grove Pressure Irrigation & Telemetry System	\$2,738,140	\$1,097,775	861
738	Econs/PacifiCorp Multi-Family Retrofit Project	\$1,509,459	\$347,176	277
802	Alpine City Secondary Irrigation System	\$5,777,207	\$3,328,930	2830
716	Lindon Pressurized Secondary Irrigation System	\$3,498,888	\$1,899,011	5,193
794	Highland City Pressurized Irrigation System	\$11,125,749	\$1,689,272	5,382
812	Jordan Valley WCD Water Conservation Project	\$3,675,000	\$2,388,750	NA
758	Mona Pressurized Secondary Project	\$807,000	\$524,550	919
813	Orchard Mesa Canal Piping Project	\$400,000	\$260,000	975
814	Timpanogos Canal Piping Project	\$1,540,000	\$1,000,000	1004
809	Magna Water Company Secondary Water System	\$1,453,485	\$700,000	3618
826	Salt Lake City Conservation and Education Project	\$317,314	\$200,000	157
825	Spanish Fork City Secondary Water System	\$18,085,900	\$5,000,000	6093
824	Upper East Union Canal Piping Project	\$2,870,000	\$1,865,000	1,777
829	Pleasant Grove City Secondary Phase III	\$16,730,821	\$6,023,096	4,821
828	Payson City Secondary	\$5,013,445	\$3,258,739	5723
832	Central Utah WCD Demonstration/Education Gardens	\$1,760,000	\$700,000	NA
830	Santaquin City Secondary System	\$13,008,600	\$5,000,000	4,092

II. WATER MANAGEMENT IMPROVEMENT PLAN

Section 207(b) of the Act directed the District to prepare a Water Management Improvement Plan (Plan).

The District, after consultation with the State and with each petitioner of project water, shall prepare and maintain a water management improvement plan. The first plan shall be submitted to the Secretary by January 1, 1995. Every three years thereafter the District shall prepare and submit a supplement to this plan. The Secretary shall either approve or disapprove such plan or supplement thereto within six months of its submission.

The original Plan was submitted to the Secretary of Interior on January 1, 1995. Supplements to the Plan have been submitted as required thru 2004. Annual Reports are submitted January 1 of each year a Supplement to the Plan is not required and will continue to be submitted thru the life of the approved conservation measures.

This document is an abbreviated supplement to the Plan containing only certain updates required to incorporate Public Law 107-366 and the Record of Decision on the Utah Lake System. Previous supplements contain more detail on certain aspects of the Plan not covered in this document.

III. FULFILLMENT OF LEGISLATIVE INTENT

Since the approval of the Water Management Improve Plan (Plan) in January 1995, the District has successfully implemented the Water Conservation Credit Program with 123 applications received from entities requesting grant funding. From these requests, the Credit Program has allocated the original authorization of \$50,000,000 (plus indexing) to 35 eligible projects.

As part of the 1995 Plan, a goal of 39,294 acre-feet of water conservation by the year 2010 was established. This goal was later updated in the 1998, 2001, and 2004 Supplements to a current goal of 62,100 acre-feet of water conservation by the year 2016. In the 2004 Annual Report submitted to DOI, it was reported that the conservation measures funded under the Credit Program had conserved 94,969 acre-feet of water during the 2004 calendar year. The success of the Credit Program is readily apparent in that the water conservation goal has been exceeded by 32,596 acre-feet almost 9 years earlier than required. While there may be some minor fluctuations in the amount of annual conservation over the remaining 9 years, the Credit Program is meeting its goals and fulfilling its intent.

IV. CONTINUATION OF CREDIT PROGRAM

The Credit Program has successfully fulfilled its intent and the original authorization has been expended through funding conservation measures. On December 19, 2002, public law 107-366 was enacted which provided additional authorization for section 207 making it possible for the District to continue offering grant funding under an updated Water Conservation Program. The remainder of this document outlines the procedures, policies and funding availability for the Credit Program.

CHAPTER 2

PROGRAM ELIGIBILITY

I. CREDIT PROGRAM ELIGIBILITY

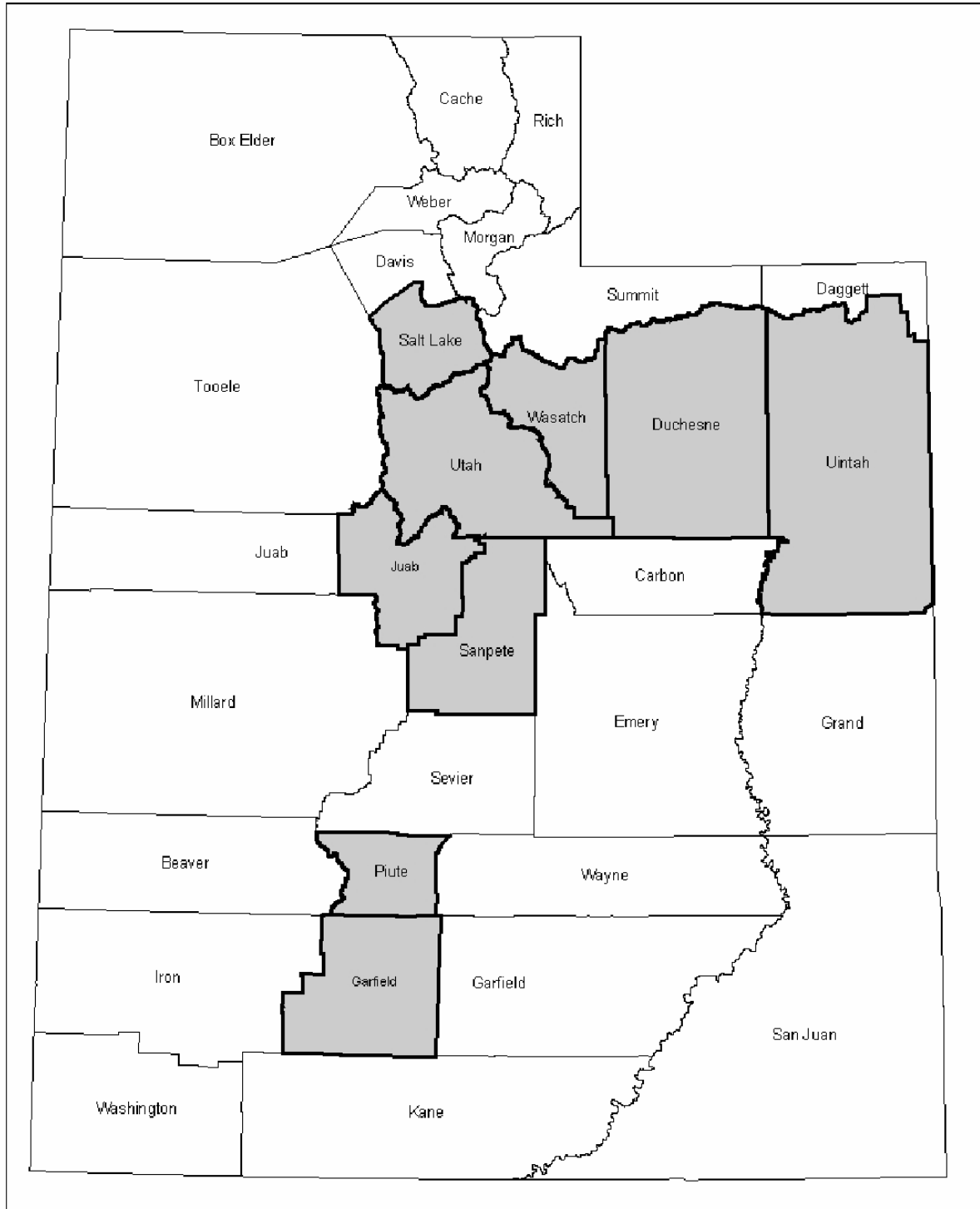
Section 207 authorized a comprehensive program to improve water management within the service area of the Central Utah Project. Therefore, Credit Program eligibility will be limited to those counties within the District boundaries (Figure 2.1).

A. Project Types

As discussed in Chapter 1, the Act defined water conservation measures as actions taken to improve the efficiency of the storage, conveyance, distribution, or use of water, exclusive of dams, reservoirs, or wells. Of the 35 projects selected for implementation through the Credit Program almost half have been secondary irrigation systems in nature. Flood to sprinkler irrigation conversions and canal lining/piping projects are the next largest project grouping. With the adoption of Public Law 107-366, the Credit Program can now accept applications which focus primarily on “*reverse osmosis membrane technologies, water recycling, and conjunctive use*”. Projects submitted specifically under the categories of water reuse and/or conjunctive use may be permitted to include wells as project features. In addition to NEPA compliance, additional **permitting and approvals may be required for these project types and will need to be in place prior to grant funding.**

Recycling projects will be required to document an existing National Pollutant Discharge Elimination System (NDPES) discharge permit as funding is not available for the construction, enlargement, or rehabilitation of a wastewater treatment facility. Credit Program grant funding may be available for the construction of additional treatment facilities required to incorporate recycled water into the applicants water supply.

Figure 2-1
District Boundaries



B. Credit Program Process

Applicants will be required to follow the process outlined in Chapter 4 which includes an application, a feasibility study and environmental review, and a public process presenting project rankings and funding recommendations. Applicants can discuss their projects with District staff and prepare their feasibility studies at any time during the year. However, only project applications on file on March 1st of each year will be considered for funding from the following Federal fiscal year appropriations. Figure 2-2 provides a flow-chart of the Credit Program process.

C. Saved Water

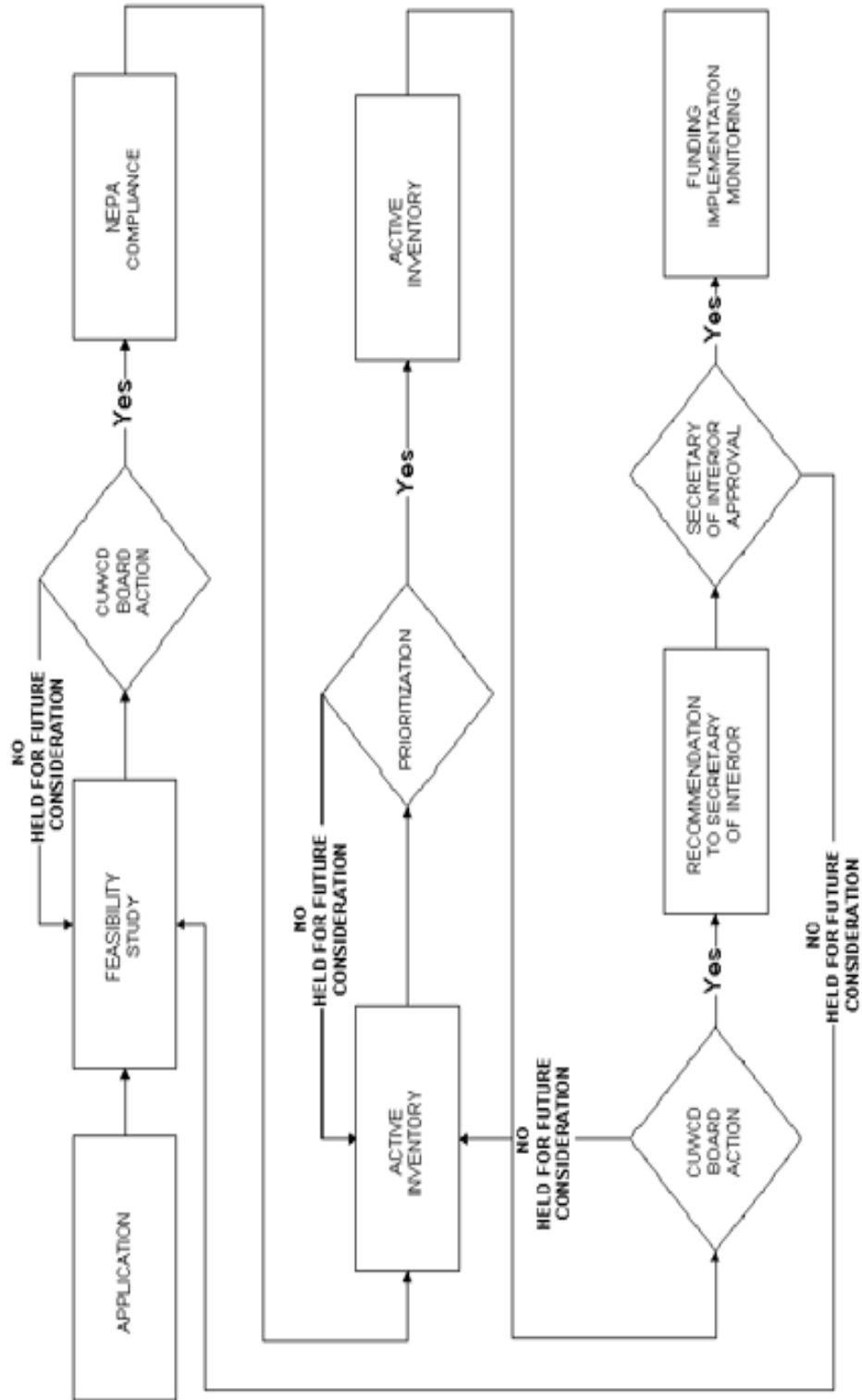
The Act outlines the possible uses of saved water in section 207 (b)(4):

All water saved by any conservation measure implemented by the District or a petitioner of project water...may be retained by the District or the petitioner of project water which saved such water for its own use or disposition.

Based on this guidance, water conserved through the Credit Program can be retained by the entity which conserved the water for its own use or disposition. It is anticipated that most of the applications to the Credit Program will propose to retain the conserved water. Proposed uses include applying the saved water to reduce shortages by extending water supplies. For agriculture, saved water may be used for late summer irrigation when normal supplies are depleted. Saved water can also be used to meet future M&I water needs. By extending existing water supplies, the need to develop new sources is reduced.

One of the ranking criteria described later in this document rewards a project for dedicating water to the District who will in turn dedicate a like sum to the Secretary of the Interior (DOI) to be used for instream flows. This water supply is to be identified in the Feasibility Study and should be a supply that can currently be stored or regulated in a federal water facility. Questions concerning eligible water supplies which meet this criteria should be directed to the Credit Program Manager.

Figure 2-2
Credit Program Process Flow-Chart



CHAPTER 3

WATER CONSERVATION GOAL

I. INTRODUCCION

Section 207(b)(1)(A) of CUPCA states that an annual water conservation goal must be established for CUWCD. Water conservation is of very importance to CUWCD and is a major goal of the Credit Program. Each applicant to the program will be required to demonstrate how their project plans to conserve water under the definitions of this program as well as document that conservation continues over a 25 year period. The Credit Program will track the actual water conservation and compare it to the volume of projected savings presented in the final feasibility study as a means of accountability for the grant funding as well as provide a measure of the success of the program. The conservation goal established by this program will apply to projects funded under the criteria presented in Chapter 4 of this document, and progress towards that goal will be reported to the Department of the Interior (DOI) each year under a separate reporting process.

II. PROGRESS TOWARDS GOAL

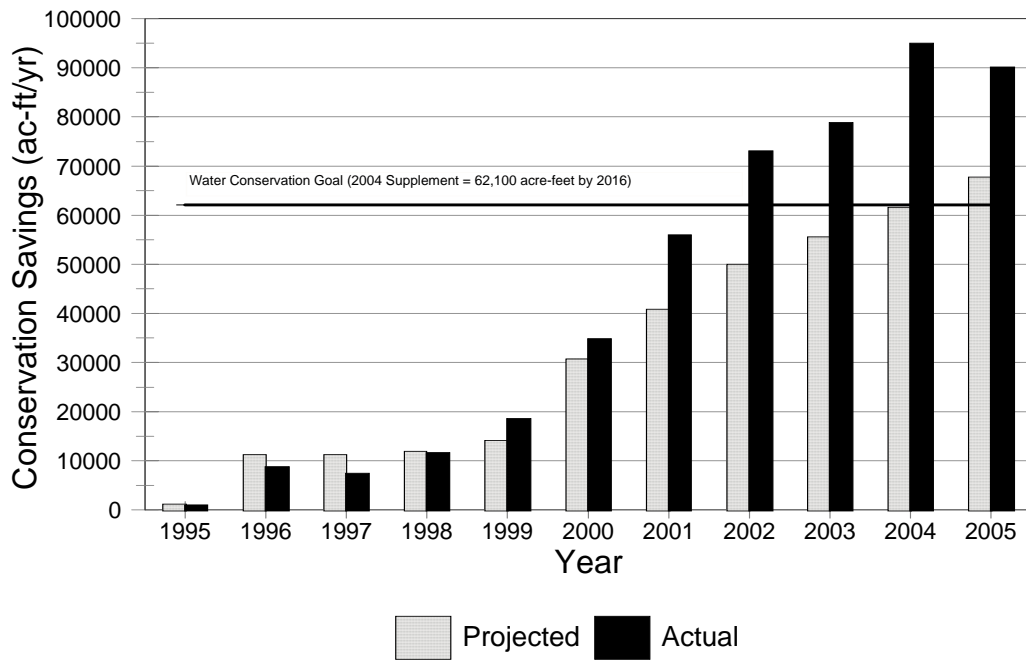
As part of the funding contracts, successful applicants to the program are required to document their yearly water conservation. This reporting is compared to the projected water savings as presented in the Final Feasibility Study. A program wide Annual Report is submitted to DOI at the end of each calendar year documenting the progress towards the Credit Program water conservation goal. Figure 3-1 charts the progress towards the existing water conservation goal as presented in the 2004 Supplement to the Water Management Improvement Plan. Table 3-1 documents the 'Projected' and 'Actual' water conservation of each of the 35 projects funded under the program.

III. GOAL CALCULATION ISSUES

As this document establishes the basis of the updated Credit Program, a new water conservation goal needs to be developed. Achievement of the goal will depend on the quality and quantity of projects which receive funding from this program as well as Congressional appropriation of program funds. It is anticipated that this program will continue to conserve M&I water in the future as petitioners of CUP water under the ULS project will be required to reduce per capita water use by 25% by the year 2050. The following issues are to be considered in the revision of the water conservation goal.

Figure 3-1

Cumulative Water Conservation



**Table 3-1
Progress towards the Water Conservation Goal
Projected versus Actual Savings**

Fiscal Year Funded	Project #	Project Name	Annual Acre-Feet of Water Conserved																
			1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	
1995	712	West Ridge Golf Course Irrigation Project	527 415	527 290	527 316	527 576	527 576	527 931	527 623	527 405	527 377	527 309	726 420	726	726	726	726	726	
	724	Terra Diamond Water Cooling Tower	2 0	2 1	4 2	4 4	5 4	5 8	7 8	7 6	7 6	7 6	14 7	14	14	14	22	22	
	734	Strawberry West Mountain Sprinkler Irrigation Project	626 565	626 618	626 621	626 626	626 626	626 639	626 640	626 612	626 588	626 583	626 594	626	626	626	626	626	
1996	713	Draper Pressure Irrigation		5,159 5,018	5,161 5,056	5,164 5,198	5,164 5,115	5,164 6,362	5,167 5,000	5,167 4,718	5,171 5,399	5,174 3,587	5,176 3,894	5,179	5,179	5,179	5,179	5,179	
	717	Sunshine Pipeline Project		1,100 960	1,100 984	1,100 847	1,100 935	1,100 1,111	1,100 1,111	1,100 1,313	1,100 1,260	1,100 1,260	1,100 1,498	1,100	1,100	1,100	1,100	1,100	
	721	Alpine Dry Creek/Fort Canyon Pipeline Project		3,600 1,837	3,600 330	3,600 3,686	3,600 3,798	3,600 2,111	3,600 1,826	3,600 2,340	3,600 1,886	3,600 2,459	3,600 0	3,600	3,600	3,600	3,600	3,600	
	733	Kay Family Farm Sprinkler Irrigation Project		63 63	63 63	63 63	63 63	63 76	63 58	63 58	63 76	63 66	63 66	63	63	63	63	63	
	745	Provo Lion's and South Fork Parks Secondary Systems		45 13	45 17	45 22	45 19	45 21	45 19	45 32	45 34	45 24	45 34	45	45	45	45	45	
	746	Provo Kwanis Park Secondary System		55 0	55 3	55 0	55 31	55 52	55 67	55 44	55 51	55 44	55 44	55	55	55	55	55	
	764	Wiser Water Use in Salt Lake City		18 18	18 18	18 18	18 18	18 18	18 18	18 18	18 18	18 18	18 18	18	18	18	18	18	
	765	Development of Landscape Education Package		26 0	26 0	26 26	26 26	26 26	26 26	26 26	26 26	26 26	26 26	26	26	26	26	26	
	1997	732	Salt Lake County Runoff Groundwater Recharge					1,328	5,800 5,282	5,800 5,800	5,800 5,800	5,800 5,800	5,800 5,800	5,800 5,800	5,800	5,800	5,800	5,800	5,800
735		Wasatch County Water Efficiency Project						1,220	13,560	5,000 24,492	8,000 25,376	12,000 35,471	16,000 27,121	20,000	23,000	23,000	23,000		
768		Island Ditch Pipeline Project					1,748 1,747	1,748 1,779	1,748 1,891	1,748 1,198	1,748 1,767	1,748 1,880	1,748 2,034	1,748	1,748	1,748	1,748		
782		Manit Pressurized Irrigation System Improvements					1,720 2,065	3,790 4,500	4,820 4,820	4,820 4,900	4,820 4,900	4,820 4,900	4,820 5,900	4,820	4,820	4,820	4,820		
1998	739	Riverton City Secondary Water System Improvements					782 432	2,095 3,287	3,628 4,102	4,003 4,604	4,333 4,219	4,664 5,890	4,859	5,024	5,189	5,415	5,580		
	770	East Juab Water Efficiency Project					3,393 5,105	1,500 5,105	3,000 5,105	5,000 5,105	6,785 5,100	6,785 5,100	6,785 7,229	6,785	6,785	6,785	6,785		
	798	Thanksgiving Point Water Conservation Project				668 647	876 647	538 723	538 606	538 606	538 1,317	538 1,300	538 1,300	538	538	538	538		
1999	738	Econs/PacificCorp Multi-Family Retrofit Project					277 277	277 268	277 268	277 268	277 268	277 368	277	277	277	277	277		
	802	Alpine City Secondary Irrigation Project						2,741	2,741	2,741	2,741	2,741	2,741	2,741	2,741	2,741	2,741		
	806	Pleasant Grove Pressure Irrigation & Telemetry System					735 157	747 425	758 526	770 649	783 910	795 1,184	808	821	834	848	861		
2000	716	Lindon Pressurized Secondary Irrigation System					3,073 3,179	3,290 2,847	3,436 3,521	3,667 3,834	3,912 3,846	4,171 3,357	4,229	4,453	4,668	4,934	5,193		
	794	Highland City Pressurized Irrigation System					3,163 3,160	3,339 3,477	3,524 3,615	3,719 3,824	3,923 4,129	4,138 2,512	4,363	4,599	4,848	5,107	5,382		
	812	Jordan Valley Water Conservation Project					157 157	157 157	157 157	157 157	157 157	157 157	157	157	157	157	157		
	758	Mona Pressurized Secondary Irrigation Project					774 843	812 1,364	852 1,364	862 1,364	865 1,364	865 1,364	868	871	874	877	880		
	812	Jordan Valley Water Conservation Project					314 314	314 314	314 314	314 314	314 314	314 314	314	314	314	314	314		
2001	813	Orchard Mesa Canal Piping Project						975 1,292	975 2,785	975 2,400	975 2,174	975 2,430	975	975	975	975	975		
	814	Timpanogos Canal Piping Project					1,771 2,211	1,004 2,271	1,004 1,880	1,004 1,732	1,004 1,903	1,004 1,903	1,004	1,004	1,004	1,004	1,004		
	812	Jordan Valley Water Conservation Project							236 236	236 236	236 236	236 236	236	236	236	236	236		
2002	809	Magna Water Company Secondary Water System										738 267	901	1,053	1,183	1,313	1,428		
	812	Jordan Valley Water Conservation Project										157 157 157	157	157	157	157	157		
	822	Salt Lake City Water Conservation and Education										157 157 157	157	157	157	157	157		
2003	825	Spanish Fork City Secondary Water System										3,885 2,240	4,028 2,862	4,192 2,868	4,334	4,476	4,618	4,760	
	812	Jordan Valley Water Conservation Project										157 157	157	157	157	157	157		
	824	Upper East Union Piping Project										1,777 2,652	1,777 2,745	1,777	1,777	1,777	1,777		
2004	828	Payson City Secondary Irrigation										3,302 3,219	3,432 3,296	3,567	3,705	3,847	3,994	4,145	
	829	Pleasant Grove Pressure Irrigation Phase III										3,114	3,176	3,240	3,304	3,370	3,438		
	812	Jordan Valley Water Conservation Project										157 157	157	157	157	157	157		
2005	832	CUWCD Demonstration & Education Garden										6 0	6	6	6	6	6		
	828	Santaquin City Secondary Irrigation										2,070	2,129	2,192	2,259	2,329			
		PROJECTED TOTALS	1,155	11,221	11,225	11,896	14,130	30,722	41,823	52,002	61,843	72,027	81,364	86,200	90,337	91,480	92,721	93,912	
	ACTUAL TOTALS	980	8,818	7,410	11,713	18,601	36,653	55,980	73,131	78,855	94,969	90,189	0	0	0	0	0		

* No Annual Report

LIGHT SHADED AREAS REPRESENT ACTUAL CONSERVATION

DARK SHADED AREAS REPRESENT CONSTRUCTION PERIOD

A. ULS Water Recycling

Section XI (B) of the ULS Amendatory Repayment Contract 04-WC-40-120, dated June 15, 2005, states:

Commencing with the year 2016 and continuing until the year 2033, the District shall demonstrate its annual progress towards recycling 18,000 acre feet by the year 2033 and shall continue to maintain the recycling of 18,000 acre feet from 2034 through 2050.

Annual progress towards the recycling goal will be determined by the District meeting the following water recycling schedule as set forth in contract 04-WC-40-120:

Water Recycling Schedule			
Year	Volume (acre-feet)	Year	Volume (acre-feet)
2016	1,000	2026	11,000
2017	2,000	2027	12,000
2018	3,000	2028	13,000
2019	4,000	2029	14,000
2020	5,000	2030	15,000
2021	6,000	2031	16,000
2022	7,000	2032	17,000
2023	8,000	2033	18,000
2024	9,000	2034-2050	18,000
2025	10,000		

Revisions to the Water Conservation Goal will include a volume of water recycling according to the Water Recycling Schedule.

B. Minimum Goal

The minimum water conservation goal will be the goal of 62,100 acre-feet by 2016 as outlined in the 2004 Supplement to the Water Management Improvement Plan.

C. Revisions to the Goal

Subsequent revisions to the water conservation goal can be made through a supplement to this document which will be presented to the public and will require final approval by DOI. Updates to the goal will be determined by the District and be based on the success of projects receiving grant funding as well as projections of future funding. The ability to

achieve the conservation goal is directly linked to Congressional appropriation of the funds necessary to implement future applications.

Subsequent revisions to the goal will be based on the following calculation:

- The program will reach a benchmark of 50% of the goal in 2019 based on the water recycling commitments made in the ULS repayment contract being met in 2033.
- Program will reach 100% of goal in 2033 which incorporates the ULS water recycling contract.

There are no provisions in the Credit Program to reduce the water conservation goal, however, the entire program including the water conservation goal is conditioned upon Congressional appropriation of funds in a timely manner.

IV. PRESENTATION OF THE GOAL

The water conservation goal **will be revised to 80,100 acre-feet by the year 2033**. This goal includes the minimum of 62,100 acre-feet plus the 18,000 acre-feet of the water recycling committed to under the ULS repayment contract. The following table outlines how compliance with this goal will be monitored on a yearly basis.

Water Conservation Goal			
Year	Volume (acre-feet)	Year	Volume (acre-feet)
2006-2015	62,100	2025	72,100
2016	63,100	2026	73,100
2017	64,100	2027	74,100
2018	65,100	2028	75,100
2019	66,100	2029	76,100
2020	67,100	2030	77,100
2021	68,100	2031	78,100
2022	69,100	2032	79,100
2023	70,100	2033	80,100
2024	71,100	2034-2050	80,100

CHAPTER 4

WATER CONSERVATION CREDIT PROGRAM

I. CREDIT PROGRAM PROCESS

As part of the development of the Water Conservation Credit Program, the District produced and published (July 1993) a document which presents and explains the Credit Program entitled "The Water Conservation Credit Program". This document described the Credit Program process in detail. Supplements to this document were published in March of 1995, January of 1998, June of 2001, and January of 2004. Each of these supplements modified the water conservation goal, adjusted project eligibility, and modified the ranking criteria as necessary in order to successfully continue the program. As outlined in previous chapters, the original authorization of \$50,000,000 (plus indexing) has been committed to Credit Program projects thru fiscal year 2008. However, Section 1(d) of Public Law 107-366 amended the original CUPCA legislation to allow for the possible use of unexpended funds under Section 207 from other authorized but not implemented units of the CUP not already allocated to other CUPCA projects (Uinta Basin Replacement and the Utah Lake System projects).

This document provides the basis of the updated Credit Program and the process applicants are to follow in order to be eligible for grant funding. The elements or steps of the Credit Program process are summarized as follows (more detailed information on the process is outlined in Appendix A of this document).

A. Application

The application begins the process of identifying water conservation measures. By completing and submitting an application, the applicant notifies the District of a potential water conservation project that may help to meet the water conservation goal. Applicants can discuss their projects with District staff and prepare their feasibility studies at any time during the year. However, only project applications on file March 1st of each year will be considered for funding from the following Federal fiscal year appropriations.

B. Application Review

In reviewing the applications the District evaluates: 1) if the proposed project appears to qualify as a water conservation measure; 2) if the applicant appears to control the water right(s), or is applying on behalf of, or in conjunction with, the holder of the water right(s) affected by the proposed measure; 3) if the funding request is within the federal

participation limit; and 4) what additional approvals/permits may be required to implement the project.

C. District/Applicant Consultation

Based on the application review, the applicant may be encouraged to continue the Credit Program process by preparing a Feasibility Study. Additional information and guidelines will be made available to the applicant concerning the preparation of a Feasibility Study.

D. Feasibility Study

The purpose of the Feasibility Study (Study) is to assist the District in determining the feasibility of a proposed water conservation project. The Study must identify the amount of water conservation which will be applied to the water conservation goal and the possible environmental effects resulting from implementation of the project. The District will use this information to evaluate proposed projects for continuation in the Credit Program as well as to determine the type and extent of NEPA compliance that will be required to evaluate the proposed project.

The applicant will be required to submit a 90% Draft Feasibility Study to the District for review as outlined below. Comments or questions raised during this review process will need to be addressed in the Final Feasibility Study. The District will also initiate an environmental review process as this time to address the level of NEPA compliance required on the project.

E. Feasibility Study Review

The following factors will eliminate a water conservation project from the Credit Program. The first three factors are requirements of the Act:

1. The project creates a significant adverse impact to the financial integrity of the District or the petitioner of project water (section 207 (b)(2)(B)). The District and affected petitioners will be given the opportunity to evaluate each conservation project. If the District or a petitioner demonstrates that a project has a significant adverse financial impact on itself, the project will be rejected.
2. The project or proposed use of saved water is not consistent with State law (Section 207 (b)(3)).
3. The measure is found [not] to be cost effective (Section 207 (b)(2)(B)).

4. The total amount of water conservation credit proposed is less than 1,000 acre-feet per year.
5. The measure's implementation schedule does not allow for 100 percent of the water conservation goal to be realized.

The District has reserved the right to make exceptions to the last two factors if it can be demonstrated that so doing would be in the District's best interest.

F. NEPA Compliance

Section 207(b)(3)(B) of the Act directs the District to implement conservation measures that are environmentally acceptable and for which the requirements of the National Environmental Policy Act of 1969 [NEPA] have been satisfied. The District will manage the NEPA compliance process as set forth in the District NEPA Handbook, perform the necessary studies, and prepare documents using a combination of its staff, consultants, and the resources of the applicant as appropriate. In the event that the District determines that the project should be carried forward in the NEPA process, the cost to prepare a Categorical Exclusion will be paid by the District. **If the project requires an Environmental Assessment or an Environmental Impact Statement, the District will negotiate the costs and funding requirements with the applicant on a case-by-case basis.**

The District believes that the Credit Program process establishes the requisite balance between social, economic, environmental, and financial considerations. Therefore, projects that are in compliance with all Feasibility Study review criteria and are considered to be environmentally acceptable will be considered by the District to be "in the public interest."

G. Active Inventory

The Active Inventory consists of all projects that have successfully completed the steps of the newly revised Credit Program through the evaluation of projects with NEPA Compliance. Since the program has been revised, any project listed on the Active Inventory prior to March 2006 will need to update their Application and Feasibility Study to conform to the terms and conditions of this document. The Act describes the Active Inventory in Section 207(b)(2)(B) as follows:

Each conservation measure that is found to be cost-effective, without significant adverse impact to the financial integrity of the District or a petitioner of project water, environmentally acceptable and for which the requirements of the National Environmental Policy Act of 1969 have been satisfied, and in the public interest shall be deemed to constitute the 'active inventory'.

Once a project is listed on the Active Inventory, it may remain indefinitely until it is either funded, or Credit Program funding is exhausted. Project applicants may be required to update their feasibility studies annually to remain eligible for grant funding based on future changes to the Credit Program. At anytime, and for any reason, an applicant may request in writing that their project is removed from the active inventory. Once removed, an applicant would need to resubmit an application and feasibility study according to the program schedule in order to be reconsidered for listing on the Active Inventory.

Projects placed on the Active Inventory are done so in no particular order. The Prioritization process outlined below describes how projects are ultimately ranked.

H. Prioritization

The Act requires the District to perform a comparative analysis of each cost-effective and environmentally acceptable measure. The prioritization process is part of the continuous process the District has established to determine which conservation measures will be presented to the public and the District Board for grant funding considerations. The purpose of the prioritization process is to rank water conservation projects on the Active Inventory.

The actual ranking of projects on the Active Inventory is performed by the Prioritization Committee. The committee is comprised of 8 members, four of which are District Trustees, the remaining four represent State water interests, Agricultural water users, Municipal and Industrial water users, and the environmental community. Committee rankings are based on a comparative analysis of water conservation projects on the Active Inventory on information contained in Feasibility Studies and NEPA compliance documents.

While the committee will rank the projects on a preliminary basis, the final rankings and funding recommendations are made by the District Board of Trustees after a public presentation and comment period. After the District Board adopts a resolution on the rankings and funding recommendations, project feasibility studies and NEPA compliance documentation will be reviewed and accepted by DOI prior to finalizing the necessary grant funding contracts.

The prioritization process will be scheduled by the District and will occur yearly under the updated Credit Program

The Credit Program will prioritize projects based on the following criteria (0-10 point scale):

- Quantity of water conserved
- Environmental enhancement

- Reduction in consumptive use of water
- Total cost per quantity of water conserved
- Public interest
- Educational value

Additional points will be awarded to projects based on the following criteria (0-10 points)

- Conserved water dedicated to the District for instream flows. (See Chapter 2.II.C for more information on the type and nature of this water supply).
- Volume of recycled water which can be counted and applied directly to the contractual obligations of the District under the Utah Lake System (ULS) project repayment contract.
- Volume of water for conjunctive management of surface and groundwater resources.
- Project provides a direct benefit to the completion of the Utah Lake Water Delivery System (ULS).

Priority in both ranking and funding recommendations will be given to projects determined by the District to be critical to the implementation and success of the ULS. This includes those projects outlined in Chapter 5 of this document.

I. Implementation and Assessment

Funding contracts will be prepared by the District and follow a set format. All the necessary permits and documentation of other financing sources will also need to be in place prior to committing funds to a project. The funding contracts outline several key requirements of the applicant including the reporting of actual water conservation thru the year 2033, monthly progress reports during construction, a field review of the project during construction and at completion with District and DOI staff, and a final construction report.

The Credit Program grant funding is made available to the applicant in the form of a reimbursement on project expenses. Requests for reimbursement are processed by the District once a month and are paid at 65% of the total request up to the funding limit. These requests should be made by the first week of the month for timely processing. The applicant should make the necessary arrangements with engineers, designers, and all contractors accordingly as the District will process one reimbursement check each month in the name of the applicant who will ultimately be responsible to manage project financing.

II. CREDIT PROGRAM FUNDING

The federal cost share for implementation of conservation measures shall not exceed 65% of the total project cost. A minimum of 35% of the implementation cost shall be

provided by the applicant from **non-federal funds** as the local cost share. Actual federal cost share and grant funding is determined by the District Board of Trustees as outlined above.

As of fiscal year 2006, the District has committed all available Credit Program funds. It is anticipated that additional funding under Section 1(d) of Public Law 107-366 may be available in fiscal year 2009. Since the budget process requires a 30 month lead time, the District would encourage interested applicants to submit applications to the Credit Program as early as possible.

CHAPTER 5

PROPOSED CREDIT PROGRAM PROJECTS

I. FISCAL YEAR 2006 PROJECTS

In November of 2005 the District Board of Trustees (Board) adopted a resolution approving the 'FY2006 Prioritization Committee – Final Project Rankings –Section 207'. These rankings including funding recommendations for the top three projects as follows:

Central Utah Water Conservancy District Demonstration/Education Garden - \$500,000
Jordan Valley Water Conservancy District Water Conservation Program - \$888,750
Salem City Pressurized Irrigation System - \$5,000,000

The District will execute funding agreements with these applicants and apply their yearly water conservation savings towards reaching the Credit Program water conservation goal.

II. ULS RELATED PROJECTS

As part of the ULS project the Credit Program has committed to provide funding for the Mapleton-Springville Lateral Piping Project (MSL) and the Provo Reservoir Canal Enclosure Project (PRC). These projects were identified as either required or beneficial components of the ULS project and both will conserve a substantial amount of water. Both projects will also dedicate water to the District for environmental purposes (1,000 acre-feet and 8,000 acre-feet respectively). The ULS repayment contract states that if the PRC project does not receive Credit Program funding, that the District will reprogram those funds to other conservation measures that will yield similar water conservation amounts and dedicate a total of 8,000 acre-feet for endangered species or other environmental purposes. A more detailed explanation of the MSL and PRC projects are given below.

A. Mapleton-Springville Lateral Piping Project (MSL)

The existing Mapleton-Springville Lateral would be replaced with a pipeline throughout most of its length. This new pipeline would become a Bonneville Unit facility that would result in conserved water by conveying annually an average of 8,831 are-feet of Strawberry Valley Project (SVP) water that has been historically delivered to the Mapleton and Springville irrigation districts through the existing lateral. The pipeline would be constructed from the connection with the Spanish Fork Canyon Pipeline and extend north to Hobble Creek. A 48 inch diameter pipeline

would be buried in the existing Mapleton-Springville lateral for about 5.7 miles with a design capacity of 125cfs.

B. Provo Reservoir Canal Enclosure Project (PRC)

As described in the the Proposed Action of the PRC Environmental Assessment, the Canal would be enclosed for the entire length (approximately 22 miles) from the Murdock Diversion to the Point of the Mountain Facility. The Canal would be replaced with either a pipe or box culvert, based on further analysis during the final design of the project. No enlargement of the existing water right is proposed, and the amount of diversions will remain approximately equal (within the range) to historic conditions. The enclosed Canal would be constructed to deliver 550 cfs, throughout its entire length. The project would dedicate 8,000 acre-feet of conserved water to the District for instream flows on the Provo River.

CHAPTER 6

FUNDING AVAILABILITY

I. AVAILABLE FUNDS

As previously mentioned in this document, the original authorization of \$50,000,000 (Indexed) has been committed to projects thru fiscal year 2008 subject to Congressional appropriations. While Section 1(d) of Public Law 107-366 amended the original CUPCA legislation allowing for authorized funds to be transferred from units of the CUP which will not be implemented, funding for additional conservation measures under the Credit Program would not be available until fiscal year 2009, subject to Congressional appropriations.

II. ADDITIONAL FUNDS

As part of ULS Contract 04-WC-40-120, petitioners of project water will be required to document water conservation within their service area. Entities failing to reduce their per capita water use as detailed in the contract are required to pay a surcharge of 5-15% of their annual repayment obligation. This surcharge will be held in an account for use towards conservation measures in the petitioners service area. Application for these funds will be made thru the Credit Program and projects must meet all program requirements.