

Mr. Norm Beagley
Santaquin City
275 West Main Street
Santaquin, UT 84655

September 21, 2021

RE: Water Right Recommendations from the 40-Year Plan

Dear Mr. Beagley,

Hansen, Allen & Luce (HAL) is proposing to perform recommended tasks identified in the "Projected Water Right Use Analysis (40-Year Plan) presented to you in 2021. We propose to complete the recommendations on a time and material basis, with a "Not to exceed" value. This cost estimate was prepared assuming that each task would be performed separately, but HAL can be more efficient by completing several of the tasks together.

PROJECT UNDERSTANDING

As Santaquin City grows it will need to rely more on its groundwater wells as drinking water sources, requiring the water rights to be approved for municipal use. Water rights approved for municipal use can still be used in the City's pressurized irrigation system, which is existing practice.

The City is currently unable to file proof on several of its change applications without further developing the sources for each water right or by adding additional existing points of diversion. The City's water reuse permit will allow it to use more recovered wastewater in its pressurized irrigation system as more of its groundwater supply is used in the drinking water system instead of the pressurized irrigation system.

This can be accomplished by adding all of the City's wells as points of diversion for each of its groundwater rights and by having all of the groundwater rights approved for municipal use. This appears to be the DWRI's preferred method when filing Proof of Beneficial use. Some of the water rights approved for municipal use and listed on the water reuse permit are not owned by the City, and the ownership is in question.

HAL proposes to work with both the City personnel and the Utah Division of Water Rights to file the change applications and perform other tasks necessary that would allow the City to put their water rights to full beneficial use and provide the clearest path to file the necessary change applications. HAL will perform the actions identified in the following scope of work.

SCOPE OF WORK

Task 100 Water Right Change Applications and Administrative Changes

Objective: Take the necessary actions to preserve and continue to develop the City's existing Water Rights by filing the necessary applications with the UT DWRI.

Input:

- Location and preliminary design of proposed wells
- The City's water use records and water share certificates

Activities:

- a. Meet with Santaquin City to set schedule and obtain necessary input and direction
- b. Meet with the Division of Water Rights (DWRI) to discuss each of the following applications.
 - i. Discuss with DWRI to determine if the 0.28 cfs deeded to Santaquin in 1942 still requires a change application if the City wants it to be classified as a municipal use. This issue is brought up in the DWRI's online files and does not appear to have had a resolution.
 - ii. Work with DWRI and suggest an administrative change to modify the use from irrigation to municipal.
- c. Water Right 51-1013
 - i. Discuss with DWRI to determine if the 0.28 cfs deeded to Santaquin in 1942 still requires a change application if the City wants it to be classified as a municipal use. This issue is brought up in the DWRI's online files and does not appear to have had a resolution.
 - ii. Work with DWRI and suggest an administrative change to modify the use from irrigation to municipal.
- d. Water Right 51-1348
 - i. Prepare and file a change application to add all of the City's wells and proposed wells as points of diversion.. The approved sources, the Cemetery and Center Street wells do not have enough capacity to provide the needed 1,795 ac-ft/yr.
- e. Water Right 53-1496
 - i. Work with the City and contact Utah Lake Distributing Company and Evan Johnson to see who owns the remaining 55 shares that are part of the basis of water right 53-1496.
 - ii. Prepare and file a Report of Conveyance with DWRI to update the current ownership of the additional 63 shares and 304.92 ac-ft acquired by the City since the DWRI records were last updated.
 - iii. Prepare and file a change application that adds all of the City's groundwater wells and proposed wells as points of diversion in order to fully utilize this water right. Until this is done, the full 526.33 ac-ft of

groundwater water rights cannot be used, and the related volume of Water Reuse Permit NS15 Type I Effluent cannot be reused. Currently, the only approved point of diversion for this well is the West Side Well, which is not currently being utilized.

f. Water Right 53-1675

- i. Prepare and file a change application on Water Right 53-1675 to change the use from “irrigation” to “municipal,” and add all of the City’s groundwater wells and proposed wells as points of diversion for this water right. This water right is approved for diversion from the Summit Ridge well, which is used in the drinking water system, but can be diverted into the pressurized irrigation system.

g. Water share certificate inventory

- i. As part of a comprehensive water asset documentation process, HAL proposes to compile a full inventory of all water share certificates and compare the hard copy certificates to the change applications that are based upon water shares. As the State Engineer does not maintain records of these certificates, it is important for the City to have complete and accurate certificate records in a secure location.
- h. Once the change applications are approved, HAL will provide a recommendation for a schedule as to which rights the City should file “Proof of Beneficial Use” and when. HAL will program into a schedule the necessary time to prepare the water right certifications and submit to the State Engineer to facilitate proper submission well before prescribed deadlines. This water right proof schedule will be shared with the City.
- i. HAL is able to prepare the water right proof documents and submit to the State Engineer in the timing and manner as requested by the City. The scope of work to prepare individual water right proof documents is not included at this time.

Output:

- Three change applications submitted to the UT DWRI.
- A Report of Water Right Conveyance submitted to the UT DWRI for water right 53-1496.
- A report on the current ownership of the Utah Lake Distributing shares related to water right 53-1496.
- A summary report of all hard copy water share certificates owned by Santaquin City, with notations of any discrepancies, errors or missing certificates.
- A recommended schedule for filing necessary Proofs of Beneficial Use once the change applications are approved.

Task 200 Support to Augment ULS Contracts

Objective: Support the City in negotiations with CUWCD and other contracting entities of the ULS system to seek for additional contract delivery capacity for Santaquin City.

HAL will facilitate and attend meetings in conjunction with the City and with necessary parties.

Input:

- Preliminary ULS delivery contracts as provided by CUWCD.
- The City's historical water use records.

Activities:

- a. Meet with Santaquin City to discuss approach and roles and obtain necessary input and direction.
- b. Meet with the CUWCD as appropriate to make them aware of the City's intent to contract for additional ULS capacity.

Output:

- Summarize findings in a written letter to the City Engineer and recommendations for a means to augment the existing ULS contract.

Task 300 Source Development Strategy

Objective: Develop a strategy to develop additional groundwater source capacity for Santaquin City.

Input:

- Location and design of existing and proposed wells.
- Previous studies or documentation of well siting efforts and corresponding results.
- The City's water use records.

Activities:

- a. Meet with Santaquin City to collect data and information necessary for an analysis.
- b. Review and analyze existing well information, compare with published water resource investigations of the area and make recommendations for either existing well rehabilitation or development of new wells in prescribed locations. Results will be summarized in a technical memorandum.

Output:

- Technical memorandum recommending a strategy for additional groundwater development for Santaquin City.

Task 400 Support for Water Credit Policy

Objective: Assist the City with the development of alternative water credit policy to meet new development requirements.

Input:

- Location and preliminary design of proposed wells
- The City's current ordinance on water exaction.

Activities:

- a. Meet with internal stakeholders of Santaquin City in an effort to capture needs and goals of the City that must be considered in a water credit policy.
- b. Meet with the Division of Water Rights (DWRi) to review proposed policy for concurrence.
- c. Meeting with Santaquin City to discuss draft water credit policy.

Output:

- A draft water credit policy for review and consideration by the Mayor and City Council.

Task 500 Progress Meetings with Santaquin City

Objective: Progress meetings with City staff

Activities:

- a. Two progress meetings with Santaquin City to discuss results and progress on all tasks.

PROFESSIONAL SERVICES FEE

Our estimated fee for completing the scope of work described herein is summarized in the table below.

PHASE	DESCRIPTION	ESTIMATED FEE
1	40 YR Water Rights Plan Recommendations – IMPLEMENTATION – Phase 1	\$25,402

ASSUMPTIONS

The Hansen, Allen & Luce, Inc. (HAL) Scope of Work and Engineering Fee have been developed and estimated assuming the project will proceed in general conformance with HAL's proposal. As part of this Scope of Work, the following assumptions were made. If circumstances arise which cause these assumptions not to be valid, a change in the Scope of Work and engineering fee will be necessary:

1. HAL assumes the City will be able to provide the location of the proposed well(s) identified in the City's Water Master Plan.
2. The 40-year plan included other recommendations, i.e., making improvements to the wastewater reuse storage and pumping infrastructure. HAL can provide these services, but they are not included in this scope of work. The reuse permit is affected by the wastewater generation from the drinking water rights. Therefore, those front-line rights should be addressed first, and then we will have a more accurate quantification of water reuse.
3. This scope of work does not include preparing and filing water right proofs of beneficial use. We will be happy to prepare a scope and fee that is appropriate and applicable to each specific water right proof process as is needful based upon the timing of each submittal and the conditions of each approved change application.

Please call if you have any suggested changes to the identified scope of services herein.

Sincerely,

HANSEN, ALLEN & LUCE, INC.



Steve Jones, M.S. P.E.
Principal

APPROVED BY:

SANTAQUIN CITY

Norm Beagley
City Engineer

DWJ