

APPROVED PROVO RIVER DISTRIBUTION SYSTEM  
MINUTES OF THE ANNUAL MEETING OF THE BOARD OF DIRECTORS  
JANUARY 30, 2007

Pursuant to the Articles of Association, as amended by the Provo River Distribution System, and due notice having been given to all members, the Board of Directors of the Provo River Distribution System convened at 1:00 p.m. on January 30, 2007, at Central Utah Water Conservancy District offices, located at 355 West University Parkway, Orem, Utah.

Board Members in Attendance

Jeff Bryant	Provo Reservoir Water Users Company
Keith Denos	Provo River Water Users Association
Daryl Devey	Central Utah Water Conservancy District
Jack Jones	Provo Bench Canal
Farrell Knight	Individual Rights
Boyd Rollins	East Provo Canals
Bart Simons	Provo City Canal
Ed Ure	Kamas Valley Canals
Ken VanWagoner	Heber Valley West

Alan Brown was excused from the meeting due to the death of his father.

Others in Attendance

Ben Anderson	Utah Division of Water Rights
Connely Baldwin	PacifiCorp
Jeff Budge	Provo River Water Users Association
Claudia Conder	PacifiCorp
James Greer	Utah Division of Water Rights
Fred Gummow	Deputy River Commissioner
Robert Jeffs	East River Bottom Water Company
John Larsen	Utah Division of Water Rights
John Mann	Utah Division of Water Rights
Linden Maxfield	Deputy River Commissioner
Roy Peterman	East Bench Canals/Upper Timpanogos Bottoms
Justin Record	Bureau of Reclamation
Stan Roberts	River Commissioner
Lee Sim	Utah Division of Water Rights
Debbie Vanoy	Central Utah Water Conservancy District

Call to Order

The meeting was called to order by Chairman Ure.

Adoption of Minutes

Mr. VanWagoner made a motion to approve the minutes with the State Engineer's approval for the meeting held on January 19, 2006.

A discussion with the State Engineer's Office ensued regarding the motion made in the meeting last year to change the annual meeting to the fifth Tuesday of the year at 10:00 a.m., and this meeting was scheduled for 1:00 p.m. Mr. Sim stated that he wrote the time down as 1:00 p.m., but it would not be a problem to change the time to 10:00 a.m. In response to a question on changing the by-laws, Mr. Sim stated that he does not really know what the by-laws say, but he stated this Board does not have the authority to set the annual meeting. The annual meeting is set by the State Engineer, who tries to accommodate the recommendations of this Board.

Mr. Devey seconded the motion made by Mr. VanWagoner. The motion passed unanimously.

#### Commissioner's Report

Mr. Roberts distributed a copy of the annual report entitled; "Water Deliveries for 2006 Were Made as Follows" which has been made a part of these minutes by this reference.

Mr. Denos expressed appreciation to Mr. Roberts for his efforts to make the river run correctly, and with storage on the river and all of the different priorities on storage, the system can get complex. He also stated that Mr. Roberts is always open to interesting but legal ways to make things work for everybody. Mr. Denos stated that he appreciates that work for himself as well as the Provo River Water Users Association.

Mr. Denos made a motion to accept the River Commissioner's Report. The motion was seconded by Mr. Simons. The motion passed unanimously.

#### 2006 Financial Report

Mr. Larsen distributed copies of the "Provo River (LCD) Distribution System Trust Fund 2006 Financial Statement" and the "Provo River Distribution System Trust Fund 2006 Financial Statements." These reports have been made a part of these minutes by this reference. Mr. Larsen then explained the reports in detail.

Mr. Larsen also indicated that he talked to Center Creek Irrigation Company and they are refusing to pay this account because they claim they do not receive any benefit from their assessment.

Mr. Sim asked Mr. Roberts if this was a diversion that could be turned off. Mr. Roberts then gave a detailed description of the Center Creek Irrigation Company water rights. Mr. Sim then stated that this particular account has been delinquent since 2001, which has gone on a lot longer than it should have. He said the State Engineer's Office is going to send out a letter immediately to Center Creek Irrigation Company informing them that their assessment has to be paid or the State will order they cease use of water prior to the start of the irrigation season. If the assessment is not paid after receipt of the letter, then the account will go into the State's enforcement program and the State will follow through with reinforcement action.

Mr. Jones made a motion to accept the financial reports. The motion was seconded by Mr. VanWagoner. The motion passed unanimously.

## Discussion of 2007 Budget

Prior to the discussion of the budget, Mr. VanWagoner asked Mr. Sim if the budgets Provo River (LCD) Distribution System Trust Fund and the Provo River Distribution System Trust Fund could be combined into one budget. Mr. Sim said that he did not see why the two accounts could not be combined. He stated originally the LCD account was set up because they are assessed differently. It was not the intention of the State to set up budgets for that account, it was created as a way to assess them and then transfer money from that system to the Provo River Distribution System Trust Fund. After the explanation of the two accounts by Mr. Sim, the Board decided to leave the accounts as they are currently set up as it would most likely be easier to track.

A discussion then ensued regarding the remaining budget items.

The Office Expense Account will be increased this year due to the fact that Central Utah Water Conservancy District no longer has office space available for the Commissioner's office. It is expected that the Commissioner's office can remain at Central Utah Water Conservancy District's office until June or July. After that time, the Board will need to determine if the River Commissioner should rent an office, but the money needs to be included in the budget today.

The Supplies and Equipment Account will also need to be increased to provide furniture and supplies for the new office.

Mr. Denos made a motion to pay the current IRS mileage rate for each year. The motion was seconded by Mr. Simons. The motion passed unanimously.

Mr. Devey made a motion to set the budget assessment for the Provo River Distribution System Trust Fund at \$141,000 for 2007. Mr. VanWagoner seconded the motion. The motion passed unanimously.

The Board then discussed the budget for the LCD System. Mr. Devey then made a comment that it would be nice if these two accounts could be blended into one account. It was then stated that when this account was originally set up there was not a system in place to do the assessments fairly. Mr. Devey suggested that the Board set a budget for the LCD System with the ultimate goal of blending the two accounts by having the State Engineer's Office figure out a fair conversion for the Wentz units so everyone is paying an equivalent amount. Mr. Sim said that the State could possibly do that next year, but suggested that it remain as it currently is for this year.

A discussion was then held on the various line-by-line budget items.

A motion was made by Mr. VanWagoner to accept the LCD System budget. Mr. Simons seconded the motion. The motion passed unanimously.

Mr. VanWagoner made a motion to set the budget assessment for the Provo River (LCD) Distribution System Trust Fund at \$3,000 for 2007. Mr. Denos seconded the motion. The motion passed unanimously.

## Selection of New Distribution System Chairman and Committee Members

Chairman Ure stated that this was done in the meeting on January 29, 2007, and the officers of the Board will remain the same.

### Other Business

In response to a question regarding how Board Members are appointed to the Board, Mr. Sim stated that annual meetings should be held yearly at each of the areas represented on the Board, and those water users vote on who should represent them. Mr. Roberts stated that this process breaks down is because once they appoint someone to the Board, they forget to do it at the meeting next year. Chairman Ure suggested that once a new appointment is made, the representative should provide the Board with a letter from the people they represent stating that they are the new representative.

Mr. Sim explained that there have been several experiences over the last year that have highlighted a need for administrative rules that describe distribution systems and the commissioners. The statute contains only a couple of paragraphs that really discuss the distribution systems and commissioners, but the State Engineer's Office believes that the relationship between the State Engineer and the Water Commissioner, the State Engineer and water users, and the water commissioners and the water users needs to be defined. In the statute the authority of the State Engineer is defined, the authority of the River Commissioner is defined, and the distribution system committees are defined along with their authority. The annual meetings and assessments are also more defined. There will not be major changes in any of the systems, but there may be some adjustments that will have to be made.

One change will be the appointment by the State Engineer of the deputy river commissioners. The deputies will still get their direction for the river commissioner and are supervised by the commissioner for all of their activities. The river commissioner will remain under the direction of the State Engineer. The river commissioner's appointment is for four years and the deputy commissioners' will also be for four years that will correspond with the river commissioners'.

Mr. VanWagoner made a motion to adjourn the meeting. The meeting was seconded by Mr. Devey. The motion passed unanimously.

## **Water Deliveries for 2006 Were Made As Follows**

### **Provo Division**

**Class A Rights At 100 Percent for the Season**

### **Wasatch Division**

<b>April 25 thru June 29</b>	<b>17<sup>th</sup> Class</b>
<b>June 30 thru July 6</b>	<b>14<sup>th</sup> Class</b>
<b>July 6 thru July 13</b>	<b>5<sup>th</sup> Class</b>
<b>July 14 thru July 24</b>	<b>1<sup>st</sup> Class</b>
<b>July 25 thru September 15</b>	<b>50 percent of 1<sup>st</sup> Class</b>
<b>September 16 on</b>	<b>1<sup>st</sup> Class</b>

The three remaining lakes on the upper Provo River ( Trial, Washington and Lost) filled and rights historically in them and other upper lakes were fully delivered from Jordanelle Reservoir or Lost Lake.

### **Foreign Diversions**

Water from the Duchesne River was diverted thru the Duchesne Tunnel until July 19 and resumed September 16.

Water from the Weber River was diverted thru the Weber -Provo Canal until June 22 and resumed October 17.

### **Deer Creek Reservoir and Jordanelle Reservoir**

Deer Creek Reservoir filled and remained full until June 14. Jordanelle Reservoir reached its maximum elevation of 6166.24 on June 19 with a capacity of 313,522 acre feet. This was 484 acre feet short of being full.

### **Miscellaneous**

Water for recovery of the June Sucker was delivered April thru July 17. This account was charged for 19,466 acre feet.

## Distribution Outline for Provo Division of Provo River

		May 10 June 20 cfs <u>57 AC Duty</u>	June 20 July 20 cfs <u>63 AC Duty</u>	July 20 Sep 1 cfs <u>70 AC Duty</u>	Sep 1 May 10 cfs <u>70 AC Duty</u>
1.	West Union/ Smith/Carter	33.47	30.39	27.23	27.14
2a.	Timpanogos Canal Company	6.85	6.23	5.48	5.48
2b.	Timpanogos Right owned by Central Utah WCD	7.27	6.60	6.60	5.81
3.	Upper East Union and Faucet Field	15.16	13.73	12.31	12.19
4.	ERBW Company and City Creek	10.00	9.20	8.20	7.77
5.	Provo City Irrigation	46.58	43.09	39.78	36.92
6.	Provo City Power	16.50	16.50	16.50	16.50
7.	Little Dry Creek	8.43	7.67	6.75	6.75
8.	Fort Field Upper Canal	7.18	6.38	5.74	4.59
9.	Lake Bottom Canal	15.93	14.17	12.75	10.20
10.	Provo Bench Canal as further outlined				
11.	Provo Reservoir Water Users Co as further outlined				
12.	Utah Power and Light Power Right of 229 cfs plus Lost Creek (up to 6.41 cfs) and Bridal Veil Falls (up to 4.11 cfs)				

**Note: 2a and 2b have no power right attached to them**

## Summary of Water Rights of Provo Bench Canal and Irrigation Company

One share of is equal to:	<u>Provo Bench</u>	<u>North Union</u>	
A. Provo Bench C & I		1.890	
B. North Union Irrigation	.529		
	Duty 57 Acre May 10 - June 20 CFS	Duty 63 Acre 20 June - July 20 CFS	Duty 70 Acre July 20 - May 10 CFS
C. 1 PB share equals	.05000	.04525	.04074
D. 1 NU shares equals	.02647	.02395	.02156
E. PB Decree 1520.4 shares	76.01	68.77	61.89
F. Tanner deed par 30.5 shares	.25	.25	.25
G. Tanner deed 28 shares	1.24	1.24	1.24
H. Provo Reservoir deed 250 shares	12.50	11.31	10.18
I. Dixon deed 31 shares	1.55	1.40	1.26
J. Provo Reservoir 120 shares	<u>6.00</u>	<u>5.43</u>	<u>4.89</u>
K. Total issued stock 1954.4 shares	97.55	88.40	79.71

**Summary of Water Rights of Provo Reservoir  
Water Users Company**

1. **Application # 1828 certificate 1989 priority 4-16-08      134.16 cfs**  
**Source: Provo River - Use period April 15 to October 15**
  
2. **Application # 3387 certificate 2370 priority 7-11-10      50 cfs**  
**Source: Shingle Creek - Use period April thru July**
  
3. **Application #4221-b certificate 2360 priority 9-5-11      30 cfs**  
**Source: Provo River - Use period April 15 thru June 30**
  
4. **Decree page 28 paragraph 34a priority Class A 9/10th of \_\_\_ less 10 percent**  
**Source: Enoch and Little Spring - Use period July 1 on**
  
5. **Decree page 28 paragraph 34b priority Class A up to 3.467 cfs**  
**Source: Round Valley Creek - Use period July 1 on**
  
6. **Decree page 28 paragraph 34c - Priority Class A .90cfs**  
**Source: Provo River - Use period Class A July 1 on**

**Note: Numbers 1 and 3 are referred to as secondary rights subordinate to class A rights. All of the above rights have no power right attached.**

7. **Blue Cliff water right as outlined with power right attached**
  
8. **Storage in upper lakes on the Provo River**

**Note: Rights 4, 5, and 6 have been delivered collectively as 7 acre feet from July 1 to October 15**

## Assignments of The Blue Cliff Water Right

Class "A" water rights as assigned from original decree awarded to Provo Reservoir Water Users Co in cfs.

1. Par, 35, p 29 Decree # 2888 4<sup>th</sup> District Court filed and entered May 2, 1921 ..... 50.00

Assignments

2. Town of Orem - June 17, 1920 ..... 0.75  
(See book 262 page 415, also see dated April 1928 listing springs conveyed)
3. East River Bottom Water Company -May 26, 1922 ..... 0.75
4. Caleb Tanner - November 3, 1922 ..... 2.50
5. Provo City - April 11, 1928 Yellow Jacket Spring by contract .... .25
6. Provo Bench Canal and Irrigation Company -December 4, 1922  
     May 10 June 20... 12.50  
     June 20 July 20... 11.31  
     July 20 May 10... 10.18
7. J.D. Dixon - January 31, 1923 ..... May 10 June 10... 1.29  
     June 20 July 20... 0.14
8. Provo Bench Canal and Irrigation Company - February 2, 1931  
     May 10 June 10... 6.00  
     June 20 July 20... 5.43  
     July 20 May 10...4.89
9. Total Assignments ..... May 10 June 20 ...22.99  
     June 20 July 20...21.08  
     July 20 May 20...19.32
10. Balance retained by Provo Reservoir Water Users Company  
     May 10 June...27.01  
     June 20 July 20...28.92  
     July 20 May 10...30.68
11. Total ..... 50.00

Since the last assignment listed above February 2, 1931, Caleb Tanner assigned the 2.50 cfs listed under (4) as follows:

- 1.26 cfs to John Dixon as recorded in Book 220 p. 417    4/11/23
- 1.24 cfs to Provo Bench Canal and Irrigation Company Book 233 p. 268    4/4/24

## **Change in Delivery of Water Rights**

Historically the quantity of Class A water used downstream of the power plant at the mouth of Provo Canyon has exceeded the 229 cfs power right allocated to Utah Power and Light (now Rocky Mountain Power). Thus at 100 percent river there was always sufficient demand downstream to fill the power right. In times of natural shortages on the river, the power right was reduced to water available like other Class A rights. However, in the event a right historically used downstream of the power plant was moved for diversion upstream of the power plant, resulting in a loss of power, a power differential payment was obligated to Utah Power and Light according to the volume of reduced power caused by the move.

This past year (2006) a situation developed to the point that a significant amount of Class A water allocated for use below the power plant was not called for resulting in a surplus.

After discussion with the State Engineers office and other water users, a plan to use this surplus was developed following state water law. In the future, if power contracts between Provo Reservoir Water Users Company (PRWUC), Central Utah Water Conservancy District and Rocky Mountain Power are in place this surplus Class A water will be made available to PRWUC under the following restrictions. This surplus Class A water will be available to PRWUC for use only in the Murdock canal within its application #1828 certificate 1989 (secondary right of 134.16 cfs) with loss of power payment attached and under guidelines of return flow quantities as directed by the State Engineer. This will not entitle PRWUC to enlarge its' right but rather to change the priority of part of this right.

If the above conditions are not met or PRWUC does not want this surplus Class A water the same will be offered to Central Utah WCD.



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
Division of Water Rights

MICHAEL R. STYLER  
Executive Director

JERRY D. OLDS  
State Engineer/Division Director

PROVO RIVER DISTRIBUTION SYSTEM TRUST FUND  
2006 Financial Statement

A. BEGINNING BALANCE	January 1, 2006	\$88,889.82
B. RECEIPTS		
1. Assessments:		\$130,696.36
2. Delinquent Penalties:		249.09
3. Previous Assessments & Penalties:		444.96
4. Transfers & Adjustments:		8,500.00
5. Annual Interest Earned:		5,807.14
6. System Reimbursements:		0.00
TOTAL RECEIPTS		145,697.55
C. EXPENDITURES		
1. Budgeted Expenditures:		115,399.16
2. Unbudgeted Expenditures:		4,136.89
3. Transfers & Adjustments:		0.00
TOTAL EXPENDITURES		119,536.05
D. ENDING BALANCE	December 31, 2006	115,051.32

NOTICE: Expenditures and Assessments received after  
December 20, 2006 MAY OR MAY NOT be included in  
this financial statement.

SUBMITTED BY :

Jerry D. Olds  
Jerry D. Olds, P.E.  
State Engineer

1/12/07  
DATE

PREPARED BY:

Dennis Carroll  
Dennis Carroll  
Budget & Accounting Officer

PROVO RIVER DISTRIBUTION SYSTEM  
2006 Budget Expenditures

Item No	Item Description	2006 Amount Budgeted	2006 Amount Expended	2006 Amount Reimbursed	2006 Item Balance
-----					
	Roberts Jr., Stanley H.				
1	Salary	57,928.00	57,928.00	0.00	0.00
2	Social Security	4,450.00	4,390.52	0.00	59.48
3	Retirement	7,000.00	8,905.05	0.00	-1,905.05
4	Insurance	13,000.00	12,310.84	0.00	689.16
5	Travel Expense	2,000.00	900.00	0.00	1,100.00
	Gummow, Fred				
6	Salary	5,100.00	5,100.00	0.00	0.00
7	Social Security	400.00	390.15	0.00	9.85
8	Insurance	75.00	51.08	0.00	23.92
9	Travel Expense	600.00	587.48	0.00	12.52
	Maxfield, Linden				
10	Salary	10,000.00	10,000.00	0.00	0.00
11	Social Security	765.00	765.00	0.00	0.00
12	Insurance	125.00	100.50	0.00	24.50
13	Travel Expense	700.00	839.90	0.00	-139.90
14	Secretary Expense	500.00	0.00	0.00	500.00
15	Committee Expense	4,900.00	1,759.49	0.00	3,140.51
16	Office Expense	2,400.00	4,102.84	0.00	-1,702.84
17	Supplies & Equipment	800.00	159.10	0.00	640.90
18	Telephone Expense	1,400.00	1,469.10	0.00	-69.10
19	Miscellaneous Expenses	607.00	927.00	0.00	-320.00
20	State Engineer Assessment	8,850.00	8,850.00	0.00	0.00
21	Annual Report	400.00	0.00	0.00	400.00
22	System Transfer	0.00	0.00	8,500.00	8,500.00
-----					
	Totals :	122,000.00	119,536.05	0.00	10,963.95

PROVO RIVER DISTRIBUTION SYSTEM  
2006 Total Assessment Amount : \$132,000.00

PROVO RIVER DISTRIBUTION SYSTEM  
2007 Proposed Budget Worksheet

Item No	Item Description	2006 Amount Budgeted	2006 Item Balance	2007 Proposed Budget
-----				
Roberts Jr., Stanley H.				
1	Salary	57,928.00	0.00	_____
2	Social Security	4,450.00	59.48	_____
3	Retirement	7,000.00	-1,905.05	_____
4	Insurance	13,000.00	689.16	_____
5	Travel Expense	2,000.00	1,100.00	_____
Gumnow, Fred				
6	Salary	5,100.00	0.00	_____
7	Social Security	400.00	9.85	_____
8	Insurance	75.00	23.92	_____
9	Travel Expense	600.00	12.52	_____
Maxfield, Linden				
10	Salary	10,000.00	0.00	_____
11	Social Security	765.00	0.00	_____
12	Insurance	125.00	24.50	_____
13	Travel Expense	700.00	-139.90	_____
14	Secretary Expense	500.00	500.00	_____
15	Committee Expense	4,900.00	3,140.51	_____
16	Office Expense	2,400.00	-1,702.84	_____
17	Supplies & Equipment	800.00	640.90	_____
18	Telephone Expense	1,400.00	-69.10	_____
19	Miscellaneous Expenses	607.00	-320.00	_____
20	State Engineer Assessment	8,850.00	0.00	_____
21	Annual Report	400.00	400.00	_____
22	System Transfer	0.00	8,500.00	_____
-----				
Totals :		122,000.00	10,963.95	

PROVO RIVER DISTRIBUTION SYSTEM  
 2006 Delinquent Water Assessments

Account Number	Billing Entity Billing Contact	Amount Due
101733	SUNRISE IRRIGATION CO BISEL, DELOY	510.26
101740	BAUM, ISAAC R.	64.95
101751	WRIGHT, ELDRED G	49.13
101768	GINES, MRS AFTON BISEL, DELOY	292.94
101778	RICHARDS, WACEY & BEAU DEE	16.50
101791	Moon, Heber	224.79
101812	McAfee, Scott (DECEASED)	206.24
101833	LINCOLN REALTY	53.49
101846	LIMPERT, RUDY	17.04
101867	DAVIS, RICHARD	74.58
101876	DAVIS, RICHARD	74.58
101877	DAVIS, RICHARD	74.58
101887	DAVIS, RICHARD	74.58
101890	DAVIS, RICHARD	74.58
101911	ABP INVESTMENTS	23.06
101919	WELLS FARGO BANK	199.00
101931	CHRISTENSEN, VAUDIS B FAMILY TRUST MS JEANNETTE C REED CO TRUSTEE WITH GALE K CHRISTENSEN	53.49

PROVO RIVER DISTRIBUTION SYSTEM  
 06 Delinquent Water Assessments

Account Number	Billing Entity Billing Contact	Amount Due
-----		
101935	ROBERTS, STANLEY H	54.62
101947	ROBERTS, STANLEY H	54.62
101955	KING, VAL WARREN	126.62
101957	ROBERTS, STANLEY H	99.06
101958	ROBERTS, STANLEY H	54.62
101959	ROBERTS, STANLEY H	54.62
101965	LOMBARDI, SALLY ANN	128.71
102911	SUNRISE IRRIGATION CO. BISEL, DELOY	22.00
102916	MOWER, SHIRLEY & WILLIAMS	16.50
102920	CLARK, RICHARD OWEN & PENNY CHRISTOFFERSON	96.88
102928	T.K. ASSOCIATES LLC	64.95
-----		
	Total Amount Due :	2,856.99



JON M. HUNTSMAN, JR.  
Governor  
GARY R. HERBERT  
Lieutenant Governor

State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
Division of Water Rights

MICHAEL R. STYLER      JERRY D. OLDS  
Executive Director      State Engineer/Division Director

PROVO RIVER (LCD) DISTRIBUTION SYSTEM TRUST FUND  
2006 Financial Statement

A. BEGINNING BALANCE	January 1, 2006	\$9,357.60
B. RECEIPTS		
1. Assessments:		\$2,168.39
2. Delinquent Penalties:		5.65
3. Previous Assessments & Penalties:		73.52
4. Transfers & Adjustments:		0.00
5. Annual Interest Earned:		479.32
6. System Reimbursements:		0.00
TOTAL RECEIPTS		2,726.88
C. EXPENDITURES		
1. Budgeted Expenditures:		1,935.00
2. Unbudgeted Expenditures:		0.00
3. Transfers & Adjustments:		8,500.00
TOTAL EXPENDITURES		10,435.00
D. ENDING BALANCE	December 31, 2006	1,649.48

NOTICE: Expenditures and Assessments received after  
December 20, 2006 MAY OR MAY NOT be included in  
this financial statement.

SUBMITTED BY :

Jerry D. Olds  
Jerry D. Olds, P.E.  
State Engineer

1/12/07  
DATE

PREPARED BY:

Dennis Carroll  
Dennis Carroll  
Budget & Accounting Officer

PROVO RIVER (LCD) DISTRIBUTION SYSTEM  
 2006 Budget Expenditures

Item No	Item Description	2006 Amount Budgeted	2006 Amount Expended	2006 Amount Reimbursed	2006 Item Balance
-----					
	Roberts Jr., Stanley H.				
1	Salary	1,500.00	1,500.00	0.00	0.00
2	Social Security	115.00	115.00	0.00	0.00
3	Retirement	170.00	170.00	0.00	0.00
4	Insurance	20.00	20.00	0.00	0.00
5	Travel Expense	650.00	0.00	0.00	650.00
6	State Engineer Assessment	130.00	130.00	0.00	0.00
7	System Transfer	8,500.00	8,500.00	0.00	0.00
-----					
	Totals :	11,085.00	10,435.00	0.00	650.00

PROVO RIVER (LCD) DISTRIBUTION SYSTEM  
 2006 Total Assessment Amount : \$3,000.00

PERRIN RIVER (LCD) DISTRIBUTION SYSTEM  
2007 Proposed Budget Worksheet

Item No	Item Description	2006 Amount Budgeted	2006 Item Balance	2007 Proposed Budget
-----				
	Roberts Jr., Stanley H.			
1	Salary	1,500.00	0.00	_____
2	Social Security	115.00	0.00	_____
3	Retirement	170.00	0.00	_____
4	Insurance	20.00	0.00	_____
5	Travel Expense	650.00	650.00	_____
6	State Engineer Assessment	130.00	0.00	_____
7	System Transfer	8,500.00	0.00	_____
		-----		
	Totals :	11,085.00	650.00	

PEPO RIVER (LCD) DISTRIBUTION SYSTEM  
2006 Delinquent Water Assessments

Account Number	Billing Entity Billing Contact	Amount Due
101974	CLYDE, DON DO NOT MAIL BAD ADDRESS	1,770.40
101978	Holmes Development LLC	412.78
101981	CENTER CREEK IRRIGATION CO SWEAT, ALLEN	2,983.20
	----- Total Amount Due :	----- 5,166.38



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State of Utah  
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MICHAEL R. STYLER      JERRY D. OLDS  
Executive Director      State Engineer/Division Director

PROVO RIVER DISTRIBUTION SYSTEM TRUST FUND  
2006 Financial Statement

A. BEGINNING BALANCE	January 1, 2006	\$88,889.82
B. RECEIPTS		
1. Assessments:		\$130,696.36
2. Delinquent Penalties:		249.09
3. Previous Assessments & Penalties:		444.96
4. Transfers & Adjustments:		8,500.00
5. Annual Interest Earned:		5,807.14
6. System Reimbursements:		0.00
TOTAL RECEIPTS		145,697.55
C. EXPENDITURES		
1. Budgeted Expenditures:		115,399.16
2. Unbudgeted Expenditures:		4,136.89
3. Transfers & Adjustments:		0.00
TOTAL EXPENDITURES		119,536.05
D. ENDING BALANCE	December 31, 2006	115,051.32

NOTICE: Expenditures and Assessments received after  
December 20, 2006 MAY OR MAY NOT be included in  
this financial statement.

SUBMITTED BY : Jerry D. Olds      1/12/07  
Jerry D. Olds, P.E.      DATE  
State Engineer

PREPARED BY: Dennis Carroll  
Dennis Carroll  
Budget & Accounting Officer

PROVO RIVER DISTRIBUTION SYSTEM  
2006 Budget Expenditures

Item No	Item Description	2006 Amount Budgeted	2006 Amount Expended	2006 Amount Reimbursed	2006 Item Balance
-----					
Roberts Jr., Stanley H.					
1	Salary	57,928.00	57,928.00	0.00	0.00
2	Social Security	4,450.00	4,390.52	0.00	59.48
3	Retirement	7,000.00	8,905.05	0.00	-1,905.05
4	Insurance	13,000.00	12,310.84	0.00	689.16
5	Travel Expense	2,000.00	900.00	0.00	1,100.00
Gummow, Fred					
6	Salary	5,100.00	5,100.00	0.00	0.00
7	Social Security	400.00	390.15	0.00	9.85
8	Insurance	75.00	51.08	0.00	23.92
9	Travel Expense	600.00	587.48	0.00	12.52
Maxfield, Linden					
10	Salary	10,000.00	10,000.00	0.00	0.00
11	Social Security	765.00	765.00	0.00	0.00
12	Insurance	125.00	100.50	0.00	24.50
13	Travel Expense	700.00	839.90	0.00	-139.90
14	Secretary Expense	500.00	0.00	0.00	500.00
15	Committee Expense	4,900.00	1,759.49	0.00	3,140.51
16	Office Expense	2,400.00	4,102.84	0.00	-1,702.84
17	Supplies & Equipment	800.00	159.10	0.00	640.90
18	Telephone Expense	1,400.00	1,469.10	0.00	-69.10
19	Miscellaneous Expenses	607.00	927.00	0.00	-320.00
20	State Engineer Assessment	8,850.00	8,850.00	0.00	0.00
21	Annual Report	400.00	0.00	0.00	400.00
22	System Transfer	0.00	0.00	8,500.00	8,500.00
-----					
Totals :		122,000.00	119,536.05	0.00	10,963.95

PROVO RIVER DISTRIBUTION SYSTEM  
2006 Total Assessment Amount : \$132,000.00

PROVO RIVER DISTRIBUTION SYSTEM  
2007 Proposed Budget Worksheet

Item No	Item Description	2006 Amount Budgeted	2006 Item Balance	2007 Proposed Budget
-----				
Roberts Jr., Stanley H.				
1	Salary	57,928.00	0.00	_____
2	Social Security	4,450.00	59.48	_____
3	Retirement	7,000.00	-1,905.05	_____
4	Insurance	13,000.00	689.16	_____
5	Travel Expense	2,000.00	1,100.00	_____
Gummow, Fred				
6	Salary	5,100.00	0.00	_____
7	Social Security	400.00	9.85	_____
8	Insurance	75.00	23.92	_____
9	Travel Expense	600.00	12.52	_____
Maxfield, Linden				
10	Salary	10,000.00	0.00	_____
11	Social Security	765.00	0.00	_____
12	Insurance	125.00	24.50	_____
13	Travel Expense	700.00	-139.90	_____
14	Secretary Expense	500.00	500.00	_____
15	Committee Expense	4,900.00	3,140.51	_____
16	Office Expense	2,400.00	-1,702.84	_____
17	Supplies & Equipment	800.00	640.90	_____
18	Telephone Expense	1,400.00	-69.10	_____
19	Miscellaneous Expenses	607.00	-320.00	_____
20	State Engineer Assessment	8,850.00	0.00	_____
21	Annual Report	400.00	400.00	_____
22	System Transfer	0.00	8,500.00	_____
-----				
Totals :		122,000.00	10,963.95	

PROVO RIVER DISTRIBUTION SYSTEM  
 2006 Delinquent Water Assessments

Account Number	Billing Entity Billing Contact	Amount Due
101733	SUNRISE IRRIGATION CO BISEL, DELOY	510.26
101740	BAUM, ISAAC R.	64.95
101751	WRIGHT, ELDRED G	49.13
101768	GINES, MRS AFTON BISEL, DELOY	292.94
101778	RICHARDS, WACEY & BEAU DEE	16.50
101791	Moon, Heber	224.79
101812	McAfee, Scott (DECEASED)	206.24
101833	LINCOLN REALTY	53.49
101846	LIMPERT, RUDY	17.04
101867	DAVIS, RICHARD	74.58
101876	DAVIS, RICHARD	74.58
101877	DAVIS, RICHARD	74.58
101887	DAVIS, RICHARD	74.58
101890	DAVIS, RICHARD	74.58
101911	ABP INVESTMENTS	23.06
101919	WELLS FARGO BANK	199.00
101931	CHRISTENSEN, VAUDIS B FAMILY TRUST MS JEANNETTE C REED CO TRUSTEE WITH GALE K CHRISTENSEN	53.49

PROVO RIVER DISTRIBUTION SYSTEM  
 06 Delinquent Water Assessment

Account Number	Billing Entity Billing Contact	Amount Due
101935	ROBERTS, STANLEY H	54.62
101947	ROBERTS, STANLEY H	54.62
101955	KING, VAL WARREN	126.62
101957	ROBERTS, STANLEY H	99.06
101958	ROBERTS, STANLEY H	54.62
101959	ROBERTS, STANLEY H	54.62
101965	LOMBARDI, SALLY ANN	128.71
102911	SUNRISE IRRIGATION CO. BISEL, DELOY	22.00
102916	MOWER, SHIRLEY & WILLIAMS	16.50
102920	CLARK, RICHARD OWEN & PENNY CHRISTOFFERSON	96.88
102928	T.K. ASSOCIATES LLC	64.95
-----		-----
Total Amount Due :		2,856.99



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

### Division of Water Rights

MICHAEL R. STYLER  
Executive Director

JERRY D. OLDS  
State Engineer/Division Director

#### PROVO RIVER (LCD) DISTRIBUTION SYSTEM TRUST FUND 2006 Financial Statement

A. BEGINNING BALANCE	January 1, 2006	\$9,357.60
B. RECEIPTS		
1. Assessments:		\$2,168.39
2. Delinquent Penalties:		5.65
3. Previous Assessments & Penalties:		73.52
4. Transfers & Adjustments:		0.00
5. Annual Interest Earned:		479.32
6. System Reimbursements:		0.00
TOTAL RECEIPTS		2,726.88
C. EXPENDITURES		
1. Budgeted Expenditures:		1,935.00
2. Unbudgeted Expenditures:		0.00
3. Transfers & Adjustments:		8,500.00
TOTAL EXPENDITURES		10,435.00
D. ENDING BALANCE	December 31, 2006	1,649.48

NOTICE: Expenditures and Assessments received after  
December 20, 2006 MAY OR MAY NOT be included in  
this financial statement.

SUBMITTED BY :

Jerry D. Olds  
Jerry D. Olds, P.E.  
State Engineer

1/12/07  
DATE

PREPARED BY:

Dennis Carroll  
Dennis Carroll  
Budget & Accounting Officer

PROVO RIVER (LCD) DISTRIBUTION SYSTEM  
 2006 Budget Expenditures

Item No	Item Description	2006 Amount Budgeted	2006 Amount Expended	2006 Amount Reimbursed	2006 Item Balance
Roberts Jr., Stanley H.					
1	Salary	1,500.00	1,500.00	0.00	0.00
2	Social Security	115.00	115.00	0.00	0.00
3	Retirement	170.00	170.00	0.00	0.00
4	Insurance	20.00	20.00	0.00	0.00
5	Travel Expense	650.00	0.00	0.00	650.00
6	State Engineer Assessment	130.00	130.00	0.00	0.00
7	System Transfer	8,500.00	8,500.00	0.00	0.00
Totals :		11,085.00	10,435.00	0.00	650.00

PROVO RIVER (LCD) DISTRIBUTION SYSTEM  
 2006 Total Assessment Amount : \$3,000.00

PFR RIVER (LCD) DISTRIBUTION SYSTEM  
2007 Proposed Budget Worksheet

Item No	Item Description	2006 Amount Budgeted	2006 Item Balance	2007 Proposed Budget
-----				
	Roberts Jr., Stanley H.			
1	Salary	1,500.00	0.00	_____
2	Social Security	115.00	0.00	_____
3	Retirement	170.00	0.00	_____
4	Insurance	20.00	0.00	_____
5	Travel Expense	650.00	650.00	_____
6	State Engineer Assessment	130.00	0.00	_____
7	System Transfer	8,500.00	0.00	_____
	Totals :	----- 11,085.00	----- 650.00	

PYHO RIVER (LCD) DISTRIBUTION SYS  
2006 Delinquent Water Assessments

Account Number	Billing Entity Billing Contact	Amount Due
101974	CLYDE, DON DO NOT MAIL BAD ADDRESS	1,770.40
101978	Holmes Development LLC	412.78
101981	CENTER CREEK IRRIGATION CO SWEAT, ALLEN	2,983.20
	-----	-----
	Total Amount Due :	5,166.38

**ADMINISTRATIVE RULE R655-15**  
**DISTRIBUTION SYSTEMS AND WATER COMMISSIONERS**  
Draft date 1/16/2007

**R655-15-1 Authority**

(1) This rule is promulgated pursuant to Subsections 73-2-1(5)(a) and 73-2-1(5)(b) which authorize the State Engineer to make rules governing water distribution systems, water commissioners, water measurement and reporting that are consistent with Chapter 73-5, "Administration and Distribution."

**R655-15-2 Purpose**

(1) Pursuant to authority delegated to the State Engineer by Section 73-5-1, this rule establishes procedures governing the creation, organization, and operation of water Distribution Systems administered by the State Engineer, including the appointment, responsibilities, and authority of Water Commissioners to assist in the administration of Distribution Systems.

(2) The purpose of this rule is to provide guidance and mechanisms enabling the State Engineer to fulfill the duties delegated by Section 73-5-3.

**R655-15-3 Application of Rule**

(1) This rule is applicable statewide to the regulation, distribution, diversion, and use of the waters of the state.

(2) This rule shall be liberally construed to permit the Division of Water Rights to effectuate the intent and purposes of applicable Utah law.

(3) The State Engineer may make exceptions to the provisions of this rule as necessary to ensure adequate and appropriate regulation, distribution, and measurement of water for Distribution Systems involving interstate streams.

**R655-15-4 Definitions**

(1) Terms used in this rule are defined as follows:

(a) "Assessment" means monies paid by water users to the State Engineer specifically to defray the costs of a Distribution System as described in Subsection 73-5-1(3). Assessments are deposited into and appropriate payments made from the "Water Commissioner Fund" established by Section 73-5-1.5.

(b) "Deputy Water Commissioner" means a person appointed by the State Engineer in accordance with Subsection 73-5-1(1). A Deputy Water Commissioner is an official and, in the performance of official duties, is a duly authorized assistant of the Water Commissioner.

**ADMINISTRATIVE RULE R655-15**  
**DISTRIBUTION SYSTEMS AND WATER COMMISSIONERS**

Draft date 1/16/2007

(c) "Distribution Account" means the accounting unit established by the Division of Water Rights ("Division") for calculation of assessments and for tracking the assessments made to and payments collected from each water user.

(d) "Distribution Order" means an Order of the State Engineer interpreting the water rights included within a Distribution System, confirming priorities of water rights, giving instruction or direction regarding the regulation, distribution, and/or measurement of water based on those water rights, and may order the installation or repair of measuring devices, head gates, and control structures as authorized by Chapter 73-5.

(e) "Distribution Season" means that period of the year during which the measurement and regulation of water distribution by a Water Commissioner is necessary as determined by the State Engineer.

(f) "Distribution System" means an organization of the owners of water rights within a river system or hydrologic unit, or a portion of a river system or hydrologic unit, that have been designated by the State Engineer for regulation by one or more Water Commissioners in accordance with Subsections 73-5-1(1)(b), 73-5-1(1)(c), and 73-5-1(2).

(g) "Distribution System Committee" means the subgroup of water users properly designated to represent all water users within a Distribution System.

(h) "Division" means the Division of Water Rights of the State of Utah. The terms "Division" and "State Engineer" may be used interchangeably unless indicated otherwise by the context of the usage.

(i) "State Engineer" means the Director of the Division of Water Rights appointed in accordance with Section 73-2-1 or other person acting in a legally delegated capacity as an agent, assistant, employee or representative of the Director. The terms "State Engineer" and "Division" may be used interchangeably unless indicated otherwise by the context of the usage.

(j) "Voluntary Agreement" means an agreement entered into by a group of water right owners whereby the owners stipulate to have the Water Commissioner regulate and distribute the water rights described in the agreement to the group of owners as if the group were a single entity such as a water company.

(k) "Voting Block" means a group of water users, designated as such by the State Engineer, who share a common interest within a Distribution System because of the nature of their water rights, the geographic location of their water use, or any other element of their water rights or water usage.

(l) "Water Commissioner" means a person appointed by the State Engineer in accordance with Subsection 73-5-1(1)(a). A Water Commissioner is an official and, in the performance of official duties, is a duly authorized assistant of the State Engineer as contemplated at Section 73-5-3.

ADMINISTRATIVE RULE R655-15  
DISTRIBUTION SYSTEMS AND WATER COMMISSIONERS

Draft date 1/16/2007

(m) "Water Company" means a water user organization that owns water rights, to which water is distributed by a Water Commissioner and which, in turn, delivers and distributes water to its members on the basis of proportional ownership of shares or other interest. A water company must be formally incorporated under applicable State of Utah statutes and may be either a for-profit entity or a mutual, non-profit entity.

(n) "Water Measuring Device" means any suitable device for measuring water flow or volume such as a weir, flume, rated section, meter or other technology capable of determining water flow or volume with an accuracy commensurate with industry standards.

(o) "Water User" means an individual person, a group of co-owners, a group acting cooperatively under a voluntary agreement, a water company, a municipality, a special district, a state or federal agency, or any other legal entity which owns a water right included within a Distribution System and which is subject to payment of an assessment. The members of a group acting under a voluntary agreement; a water company's members, shareholders or officers; and those persons served by a municipality, special district, or other governmental entity are not considered water users under this definition, but are represented at Annual Meetings or other meetings of the Distribution System by one or more duly appointed representatives of the group or entity.

**R655-15-5 Distribution Systems**

(1) To achieve the purposes set forth in Section 73-5-3, the State Engineer:

(a) Shall create a Distribution System when ordered by the district court: or

(b) May create a Distribution System when the State Engineer determines that a Distribution System is necessary as a result of:

(i) Investigations initiated by the Division; or

(ii) A request submitted by water users with sufficient supporting information.

(2) As authorized in Section 73-5-1, the State Engineer shall:

(a) Designate by geographical or political boundary, or other suitable criteria, the water rights that shall be included in the Distribution System; and

(b) Determine whether one or more Water Commissioners are required to regulate and distribute water according to the water rights included in the Distribution System.

(3) To establish a new Distribution System, the State Engineer shall consult with the water users who would potentially be included within the system in accordance with Section 73-5-1. The State Engineer shall:

**ADMINISTRATIVE RULE R655-15**  
**DISTRIBUTION SYSTEMS AND WATER COMMISSIONERS**

Draft date 1/16/2007

(a) Provide timely notice to water users shown on the records of the Division as owning water rights within the proposed Distribution System.

(b) Hold a public meeting to:

(i) Inform the water users of the justifications for the Distribution System, the boundaries or the Proposed Distribution System, the water rights that would be regulated within the Distribution System, and the estimated costs of operating a Distribution System;

(ii) Explain the State Engineer's purposes, policies, and procedures regarding Distribution Systems; and

(iii) Receive comments from the water users regarding the justifications for a Distribution System and the other information presented at the meeting. The State Engineer may allow comments to be received after the meeting. The period of time for submitting comments will be set at the meeting.

(c) Hold an organizational meeting to:

(i) Establish a Distribution System Committee or select a Distribution System Chair;

(ii) Prepare an operational budget for the Distribution System;

(iii) Establish a method of calculating assessments; and

(iv) Receive a recommendation(s) regarding the appointment of a Water Commissioner(s).

(d) Issue an Order of the State Engineer establishing the Distribution System. The Order shall be issued to all water users within the Distribution System and shall set forth:

(i) The organization of the Distribution System;

(ii) The method of calculating assessments; and

(iii) Any other information required for the effective operation of the Distribution System.

(d) Appoint one or more Water Commissioners and/or Deputy Water Commissioners;

(e) Establish and maintain a system of distribution accounts that shall be the basis for making assessments to the water users in the Distribution System;

**ADMINISTRATIVE RULE R655-15**  
**DISTRIBUTION SYSTEMS AND WATER COMMISSIONERS**

Draft date 1/16/2007

(4) To modify the extent, organizational structure, or any other aspect of a Distribution System the State Engineer shall:

(a) Provide timely notice to each water user shown on the Divisions records as being responsible for a Distribution Account included in the Distribution System; and

(b) In accord with said notice, schedule and hold a Distribution System meeting to:

(i) Explain the State Engineer's findings and conclusions regarding the proposed modifications;

(ii) Receive comments regarding the proposed modifications to the Distribution System. The State Engineer may allow comments to be received after the meeting. The period of time for submitting comments will be set at the meeting.

(c) Issue an Order of the State Engineer modifying the Distribution System. The Order shall be delivered to all water users within the modified Distribution System and shall describe the modifications made to the Distribution System.

(5) The State Engineer may determine, based on an investigation or other pertinent information, that an established Distribution System is no longer necessary to achieve the purposes set forth in Section 73-5-3. To dissolve a Distribution System, the State Engineer shall:

(a) Provide timely notice to the water users included in the Distribution System;

(b) In accord with said notice, schedule and hold a Distribution System meeting to:

(i) Explain the State Engineer's findings and conclusions regarding the dissolution of the Distribution System;

(ii) Receive comments regarding the dissolution of the Distribution System. The State Engineer may allow comments to be received after the meeting. The period of time for submitting comments will be set at the meeting.

(c) Relieve the Water Commissioner of responsibilities and authority regarding the regulation and distribution of water;

(d) Retire any outstanding financial obligations of the Distribution System and return any funds pertaining to the Distribution System remaining in the Water Commissioner Fund to the water users on a pro-rata basis according to the assessments paid over the previous five years;

(e) Take custody of all records maintained by the Distribution System; and

ADMINISTRATIVE RULE R655-15  
DISTRIBUTION SYSTEMS AND WATER COMMISSIONERS

Draft date 1/16/2007

(f) Take custody of all equipment, vehicles and other physical assets accumulated in the operation of the Distribution System, said assets to be disposed in a manner consistent with pertinent statute or other regulation.

(g) Issue to all water users within the Distribution System an Order of the State Engineer dissolving the Distribution System.

(6) A Distribution System consists of the following parties:

- (a) The State Engineer;
- (b) One or more Water Commissioners and any appointed Deputy Water Commissioners;
- (c) A Distribution System Committee or Distribution System Chair; and
- (d) The water users.

(7) The composition, authority, duties and responsibilities of the parties identified immediately above are described in the following sections.

**R655-15-6 State Engineer**

(1) May, as authorized in Subsection 73-2-1(5), make administrative rules regarding Water Commissioners and Distribution Systems.

(2) May, as authorized in Section 73-5-1, establish a Distribution System Committee or Distribution System Chair to represent water users.

(3) Shall consult with the water users, directly or through the Distribution System Committee, regarding the qualifications, duties, compensation and appointment of the Water Commissioner(s);

(4) Shall appoint the Water Commissioner(s);

(5) May appoint Deputy Water Commissioner(s);

(6) Shall retain authority and responsibility for supervision of the Water Commissioner(s) to assure that water is measured, divided, regulated, and distributed in a manner consistent with the rights of the water users.

(7) Shall provide fiduciary supervision, accounting and operation of the Water Commissioner Fund, including the calculation of assessments, mailing of assessment notices, collection of assessments, issuance of payments for the expenses of the Distribution System, and an annual

**ADMINISTRATIVE RULE R655-15**  
**DISTRIBUTION SYSTEMS AND WATER COMMISSIONERS**  
Draft date 1/16/2007

reporting to the Distribution System Committee and/or the water users of the status of finances of the Distribution System.

(8) Shall hold an Annual Meeting with the Distribution System Committee and/or the water users as described in this rule.

(9) Shall, in consultation with the Distribution System Committee Chair or the Distribution System Chair, designate a date, time and place of an Annual Meeting of the water users and provide a timely notice of the Annual Meeting and the proposed agenda to all necessary parties.

(10) May issue Distribution Orders.

**R655-15-7 Water Commissioners**

(1) Applicants for the position of Water Commissioner shall, at a minimum:

(a) Be a high school graduate;

(b) Demonstrate a level of education and experience commensurate with the level of complexity and difficulty involved in regulating the Distribution System;

(c) Have demonstrated knowledge of:

(i) Irrigation practices and technologies;

(ii) The local area and the water users involved in the Distribution System;

(iii) The use and maintenance of water control and measurement equipment and devices;

(iv) Water measurement units, calculations and conversions;

(v) Maps, standard land description terminology, units of measure and conversions;

(vi) Principles and terminology of Utah water rights law; and

(vii) Technology necessary for the effective regulation, distribution, measurement and reporting of water use in the Distribution System.

(d) Be available at all times necessary throughout the distribution season to fulfill the duties of Water Commissioner set forth herein;

**ADMINISTRATIVE RULE R655-15**  
**DISTRIBUTION SYSTEMS AND WATER COMMISSIONERS**

Draft date 1/16/2007

(e) The applicant must disclose to the State Engineer and the interview panel any conflict of interest related to exercising the duties of the Water Commissioner. The Water Commissioner must have no conflict of interest that would prevent objective regulation and distribution of water on the Distribution System in accordance with the water rights and the instructions and Distribution Orders from the State Engineer.

(2) Selection Process

(a) Public notice of the intent to fill a Water Commissioner position shall be advertised in a newspaper of local circulation in the area where the distribution system is located. The notice shall:

(i) Include a general description of the qualifications, duties, and compensation related to the position;

(ii) Include the method of making application for the position; and

(iii) Be published in a manner and for a duration determined by the State Engineer as reasonable and sufficient.

(b) Application for the Water Commissioner position shall be made in writing to the Distribution System Committee Chair or the Distribution System Chair as directed in the public notice. The application shall include a summary of the applicant's qualifications and experience. The Chair, in consultation with the State Engineer, shall determine, based on the relative qualifications of the applicants, those applicants to be invited for an interview.

(c) Interviews for the position of Water Commissioner shall be conducted by an interview panel. The interview panel shall consist of the Distribution System Committee and the State Engineer. If a Distribution System Committee has not been established on the Distribution System, the panel shall include the Distribution System Chair, a representative group of water users selected by the Distribution System Chair, and the State Engineer.

(d) The recommendation to the State Engineer concerning the appointment to fill the Water Commissioner position shall be based on the results of the applicant interviews as determined by a majority vote of:

(i) The water users of the Distribution System if:

(A) The interview panel consisted of selected water users; or

(B) The interview panel consisted of a Distribution System Committee that prepares recommendations for the water users' ratification.

ADMINISTRATIVE RULE R655-15  
DISTRIBUTION SYSTEMS AND WATER COMMISSIONERS

Draft date 1/16/2007

(ii) The Distribution System Committee if the committee is established to act without ratification by the water users.

(e) If a majority of the water users, as determined by a vote of the water users or by a vote of the Distribution System Committee as described above, agree on a qualified applicant to recommend to the State Engineer, the State Engineer shall appoint the recommended applicant as Water Commissioner based on the recommendation. If the water users cannot agree as evidenced by a majority vote, the State Engineer shall select a person from among the qualified applicants for appointment as Water Commissioner.

(3) The Water Commissioner shall be appointed for a term of four years in accordance with Subsection 73-5-1(1)(a).

(a) A new four-year term shall commence with each appointment.

(b) The four-year term shall commence at the Annual Meeting or other Distribution System meeting or Distribution System Committee meeting wherein the Water Commissioner recommendation was made to the State Engineer.

(c) The four-year term shall run until the Annual Meeting or Distribution System Committee Meeting held during the fourth year following the Water Commissioner appointment.

(4) If a Water Commissioner retires, resigns, or is otherwise removed prior to completing the full four-year term of his appointment, the uncompleted term shall not be filled. The process described in these rules for selecting a Water Commissioner shall be followed in making a new appointment.

(5) A person may be appointed to serve successive terms as Water Commissioner without limit.

(6) Authority

(a) The Water Commissioner is an assistant to the State Engineer and is authorized to act as described in Sections 73-5-3 and 73-5-4 to assure that water is properly measured, divided and distributed to the water users in accord with their respective water rights.

(b) As described in Section 73-5-3, the Water Commissioner is authorized to enter upon private property whenever it is required in order to carry out the provisions of statute and these rules.

(c) In all official duties and responsibilities of the position, the Water Commissioner is authorized to act as directed by the State Engineer.

(7) A person may serve concurrently as the Water Commissioner for more than one Distribution System.

**ADMINISTRATIVE RULE R655-15**  
**DISTRIBUTION SYSTEMS AND WATER COMMISSIONERS**  
Draft date 1/16/2007

(8) Duties

(a) The Water Commissioner shall consult with the State Engineer to exchange information and receive direction. The Water Commissioner may also consult with the Distribution System Committee or Distribution System Chair to exchange information.

(b) The Water Commissioner shall regulate the diversion and distribution of water:

(i) In accordance with properly established water rights on the records of the Division; and

(ii) In accordance with State Engineer Distribution Orders.

(c) The Water Commissioner shall measure and make records of the measurements of:

(i) The water delivered to each Distribution Account;

(ii) Any flows or volumes of water and reservoir water levels necessary for the proper regulation of water distribution in the Distribution System; and

(iii) Any other flows or volumes of water and reservoir water levels as directed by the State Engineer.

(d) The Water Commissioner shall regularly inspect Distribution System facilities, including water measuring devices, head gates, and other water control structures, to ensure they are operating properly and adequately maintained to meet the purposes of the Distribution System.

(i) The Water Commissioner shall perform or arrange for the performance of such facilities maintenance work as is included within the scope of the duties assigned and consistent with the appointment.

(ii) If inadequacies related to the regulation, distribution, and measurement of water are identified in the Distribution System facilities, which are outside the scope of the Water Commissioner's designated duties, the Water Commissioner shall notify the responsible water user, the Distribution Committee Chair or Distribution System Chair, and the State Engineer.

(e) The Water Commissioner shall assist the State Engineer as requested to improve water measurement and accounting practices and procedures in the Distribution System.

(f) The Water Commissioner shall maintain records and make reports including:

**ADMINISTRATIVE RULE R655-15**  
**DISTRIBUTION SYSTEMS AND WATER COMMISSIONERS**

Draft date 1/16/2007

(i) Complete, accurate, current, and legible records sufficient to demonstrate faithful performance of the duties designated.

(A) All records shall be available to the State Engineer upon request.

(B) All records shall be submitted to the State Engineer upon termination of the Water Commissioner's service.

(ii) A written Annual Report of the Distribution System including all information determined necessary by the State Engineer in consultation with the Distribution System Committee or Distribution System Chair.

(A) The report shall include water use data based on actual water measurements, a record of regulation and distribution issues and decisions made during the distribution season, and any other information required by the State Engineer.

(B) The report shall be prepared in a format approved by the State Engineer.

(C) The report shall be delivered to the State Engineer and the Distribution System Committee and/or water users each year at the Annual Meeting unless another reporting deadline has been approved by the State Engineer.

(g) The Water Commissioner shall assist, as requested, in acquiring current ownership, address, and other information required to update Distribution Accounts.

(h) The Water Commissioner shall provide to the State Engineer, in a timely manner, an accounting of the water delivered to each water user as required for the calculation of Distribution Assessments.

(i) When necessary to effect the proper distribution of water, the Water Commissioner may adjust or close and lock a head gate and/or control structure to prevent changes in his control settings.

(i) Such adjustments and locks shall remain as set by the Water Commissioner until a change in regulation or distribution is required.

(ii) In such cases, the Water Commissioner may attach a State Engineer Water Regulation Tag at or near the head gate or control structure.

**ADMINISTRATIVE RULE R655-15**  
**DISTRIBUTION SYSTEMS AND WATER COMMISSIONERS**

Draft date 1/16/2007

(j) As necessary in effecting a State Engineer Distribution Order or in a Division enforcement proceeding, the Water Commissioner may close and lock a head gate and/or control structure to cease delivery of water to the affected water user.

(i) Such closure and locking of a head gate and/or control structure shall remain in place until the conditions of the Distribution Order or enforcement proceeding have been met.

(ii) In such cases, the Water Commissioner shall attach a State Engineer Water Regulation Tag at or near the head gate or control structure.

(k) The Water Commissioner shall assist the State Engineer as necessary in any Division enforcement proceeding related to the Distribution System.

(l) The Water Commissioner shall perform all other duties specific to the Distribution System as determined by the water users or the Distribution System Committee and approved by the State Engineer.

(m) The Water Commissioner shall accurately complete and submit all necessary forms provided by the State Engineer for documentation of the expenses of the Distribution System.

(n) The Water Commissioner shall supervise and be responsible for the efforts of any Deputy Water Commissioner(s) appointed to assist in the regulation, distribution, and measurement of water on the Distribution System.

(9) Compensation and Benefits:

(a) The salary or wage for a Water Commissioner shall be set within the guidelines established by the State Engineer.

(i) The salary or wage shall be paid through the State of Utah payroll system and shall be subject to all federal and state taxes and other required withholdings.

(ii) A Water Commissioner who retires, resigns or is otherwise removed during a distribution season will be compensated for only the portion of the distribution season completed prior to the termination of the Water Commissioner's service.

(b) A Water Commissioner shall be provided with a means of transportation for all travel related to fulfillment of official duties related to the Distribution System. The transportation may be provided by any of the following means:

(i) Provision, at the expense of the Distribution System, of a suitable vehicle to be used by the Water Commissioner solely in the performance of the Water

**ADMINISTRATIVE RULE R655-1s**  
**DISTRIBUTION SYSTEMS AND WATER COMMISSIONERS**  
Draft date 1/16/2007

Commissioner duties, with all vehicle expenses paid through the Distribution System; or

(ii) Provision for the Water Commissioner to use a state-owned vehicle solely in the performance of the Water Commissioner duties, with all related costs paid through the Distribution System; or

(iii) Compensation of the Water Commissioner, through the Distribution System, for the use of a personal vehicle in the performance of the Water Commissioner's official duties. Compensation shall include the total costs of operating and maintaining the vehicle for that portion of the vehicle use dedicated to the Water Commissioner's official duties. Compensation may be made:

(A) For actual vehicle operation and maintenance costs as reported and documented by the Water Commissioner; or

(B) At a per-mile rate determined from industry standards for operation and maintenance of similar vehicles in similar conditions; or

(C) Based on a flat monthly or yearly amount agreed upon by the water users' representatives and the Water Commissioner and approved by the State Engineer. The agreed amount must reasonably represent the actual costs of operating the vehicle.

(c) A Water Commissioner shall be provided with communication and computer equipment necessary for the effective performance of the Water Commissioner duties. The cost of purchasing, operating, and repairing such equipment shall be borne by the Distribution System. If a Water Commissioner chooses to use personally owned equipment, compensation shall be made on the basis of documentation showing the costs of acquisition, maintenance and operation of said equipment and the proportion of said costs directly attributable to the performance of the Water Commissioner's official duties. Cost documentation must be acceptable to the Distribution System Committee or Distribution System Chair and approved by the State Engineer.

(d) A Water Commissioner shall be provided with adequate office space and clerical assistance to enable regulation and distribution of water on the Distribution System.

(e) A Water Commissioner shall be provided, at the expense of the Distribution System, such other equipment as is needed to effectively measure, distribute, and regulate water on the Distribution System.

(f) A Water Commissioner may be provided with health insurance with premiums paid all or in-part by the Distribution System.

ADMINISTRATIVE RULE R655-15  
DISTRIBUTION SYSTEMS AND WATER COMMISSIONERS  
Draft date 1/16/2007

(g) A Water Commissioner shall be provided with Workers Compensation Insurance in accordance with pertinent regulations governing same.

(g) The Distribution System shall pay the cost of the retirement benefit for any Water Commissioner whose salary meets or exceeds the minimum salary level set by the Utah State Retirement Office to qualify for retirement benefits.

(10) Removal

(a) A Water Commissioner may be removed by State Engineer for cause.

(i) The process to remove a Water Commissioner may be instigated by the State Engineer or as a result of a petition to the State Engineer from the water users or Distribution System Committee.

(ii) The process for removing a Water Commissioner shall be governed by the provisions of the Utah Administrative Procedures Act.

(b) Water users may petition the District Court for the removal of a water commissioner.

**R655-15-8 Deputy Water Commissioner**

(1) One or more Deputy Water Commissioners may be appointed by the State Engineer to assist the Water Commissioner.

(2) The need for a Deputy Water Commissioner shall be determined by the Water Commissioner and the Distribution System Committee or Distribution System Chair and approved by the State Engineer.

(3) Applicants for the position of Deputy Water Commissioner shall, at a minimum:

(a) Be a high school graduate;

(b) Demonstrate a level of education and experience commensurate with the level of complexity and difficulty involved in assisting the Water Commissioner.

(4) Selection Process

(a) Application for the position of Deputy Water Commissioner shall be made to the current Water Commissioner.

(b) The current Water Commissioner shall interview applicants as necessary and present a recommendation to the Distribution System Committee or Distribution Committee Chair for consideration.

**ADMINISTRATIVE RULE R655-15**  
**DISTRIBUTION SYSTEMS AND WATER COMMISSIONERS**

Draft date 1/16/2007

(c) If the current Water Commissioner and the Distribution System Committee or Distribution System Chair are in unanimous agreement on a qualified applicant to recommend to the State Engineer, the State Engineer shall appoint the applicant as Deputy Water Commissioner based on that recommendation. If there is no unanimity, the State Engineer shall select a person from among the qualified applicants to appoint as Deputy Water Commissioner.

(5) A Deputy Water Commissioner shall be appointed to a term corresponding to the term of the current Water Commissioner.

(a) If a Deputy Water Commissioner is appointed part way through the term of a currently serving Water Commissioner, the deputy's first term shall be equal to the remaining term of the current Water Commissioner.

(b) When a Water Commissioner retires, resigns, or is otherwise removed from appointment, the appointments of all Deputy Water Commissioners shall be concurrently terminated.

(6) A person may be appointed to serve successive terms as Deputy Water Commissioner without limit.

(7) When acting under specific direction of the Water Commissioner, a Deputy Water Commissioner shall have the same authority as delegated to the Water Commissioner as an agent of the State Engineer.

(8) A person may serve concurrently as Deputy Water Commissioner for more than one Distribution System.

(9) The duties of the Deputy Water Commissioner(s) shall be to assist the Water Commissioner, as assigned, in the performance of the Water Commissioner's duties to fulfill the purposes of the Distribution System.

(10) Compensation and Benefits:

(a) The salary or wage for a Deputy Water Commissioner shall be set within the guidelines established by the State Engineer.

(i) The salary or wage shall be paid through the State of Utah payroll system and shall be subject to all federal and state taxes and other required withholdings.

(ii) The total amount of salary or wage budgeted each year shall be paid to the Deputy Water Commissioner within the calendar year upon successful completion of the duties and responsibilities of the position.

**ADMINISTRATIVE RULE R655-15**  
**DISTRIBUTION SYSTEMS AND WATER COMMISSIONERS**

Draft date 1/16/2007

(b) A Deputy Water Commissioner may be provided with a means of transportation for all travel related to regulation of the Distribution System. The transportation may be provided by any of the means described in the above Section entitled "Water Commissioner".

(c) A Deputy Water Commissioner shall be provided, at the expense of the Distribution System such equipment and supplies as are needed to effectively assist the Water Commissioner in the assigned duties on the Distribution System. Compensation shall be in a manner equivalent to that adopted for compensation of the Water Commissioner for similar expenses.

(d) A Deputy Water Commissioner may be provided with health insurance with premiums paid all or in-part by the Distribution System.

(e) A Deputy Water Commissioner shall be provided with Workers Compensation Insurance in accordance with pertinent regulations governing same.

(f) The Distribution System shall pay the cost of the retirement benefit for any Deputy Water Commissioner whose salary meets or exceeds the minimum salary level set by the Utah State Retirement Office to qualify for retirement benefits.

(11) Removal

(a) A Deputy Water Commissioner may be removed by State Engineer for cause.

(i) The process to remove a Deputy Water Commissioner may be instigated by the State Engineer or as a result of a petition to the State Engineer from the Water Commissioner, Distribution System Committee, or the water users.

(ii) The process for removing a Deputy Water Commissioner shall be governed by the provisions of the Utah Administrative Procedures Act.

(b) Water users may petition the District Court for the removal of a Deputy Water Commissioner.

**R655-15-9 Distribution System Committee**

(1) The Distribution System Committee shall be established in a manner that will provide equitable representation of the interests of all water users in the Distribution System.

(2) A Distribution System Committee may be established by the State Engineer in a manner such that either:

(a) The Distribution System Committee prepares recommendations for ratification by the water users of the Distribution System; or

**ADMINISTRATIVE RULE R655-1**  
**DISTRIBUTION SYSTEMS AND WATER COMMISSIONERS**

Draft date 1/16/2007

(b) The decisions and recommendations of the Distribution System Committee need no ratification by the water users of the Distribution System.

(3) The Distribution System Committee shall be composed of no less than five and no more than 15 representatives of the water users. The number of committee members and the terms of office shall be determined by majority vote of the water users present at an Annual Meeting or specially called organizational meeting, subject to the approval of the State Engineer.

(4) Members of the Distribution System Committee are to equitably represent the water users of the Distribution System and may be:

(a) Elected from among the water users for a specified term of office; or

(b) Duly appointed representatives of water user groups such as water companies, voluntary agreement groups, municipalities, or special districts who serve at the pleasure of the organization represented; or

(c) A combination of the foregoing under (a) and (b);

(d) Re-elected or reappointed without term limits unless barred by other policy or rule duly adopted.

(5) Representation on the Distribution System Committee shall be limited to one committee member from each: group acting cooperatively according to a voluntary agreement; water company; municipality; special district; state or federal agency; voting block; or other grouping of water users according to geography or type of water right.

(6) Distribution System Committee members representing a group or other legal entity shall be elected from among the group or legal entity to be represented on the committee unless the governing documents of said group or legal entity mandate another method of selection.

(7) A quorum of the Distribution System Committee must be present in order for the committee to act on any issue regarding the Distribution System. A quorum shall consist of no less than two-thirds of the committee members. The business of the committee shall be conducted by a simple majority vote of the committee members present at the meeting. Each member of the Distribution System Committee shall have one vote. In the event of a tie vote, the business at hand may be deferred. If the business is sufficiently urgent that deferment is not practical, the matter shall be decided by the State Engineer in accordance with Subsection 73-5-(2)(c).

(8) Changes in the composition, number of members, terms of office, etc., may be made upon majority vote of the water users present at a properly scheduled Annual Meeting, subject to the approval of the State Engineer;

(9) The Distribution System Committee shall elect from among its members:

ADMINISTRATIVE RULE R655-15  
DISTRIBUTION SYSTEMS AND WATER COMMISSIONERS  
Draft date 1/16/2007

(a) A Chair who shall have responsibility to:

- (i) Conduct all Annual Meetings of the water users;
- (ii) Conduct all special meetings of the Distribution System Committee; and
- (iii) Act as agent of the Distribution System Committee in communications with the State Engineer, the water users and other entities.

(b) A Vice-Chair who shall assist in all duties of the Chair and assume the duties of the Chair when the Chair is absent or otherwise unable to fulfill those duties.

(10) The Distribution System Committee shall select and retain the services of a qualified Secretary who shall:

(a) Keep accurate and complete minutes of all Annual Meetings of the water users and all meetings of the Distribution System Committee in a format approved by the State Engineer;

(b) Prepare copies of the minutes of each Annual Meeting of the water users for distribution, review and approval by the water users present at the next subsequent Annual Meeting;

(c) Prepare copies of the minutes of each special meeting of the Distribution System Committee for distribution, review and approval by the Distribution System Committee at the next subsequent special meeting;

(d) Maintain a permanent record of all minutes of the meetings of the water users and the Distribution System Committee;

(e) Maintain a complete and current record of the names, contact information, representation, and terms of office of all members of the Distribution System Committee;

(f) Maintain a permanent record of all materials, reports, agendas, budgets, etc., presented or considered in Annual Meetings of the water users or special meetings of the Distribution System Committee;

(g) Submit to the Chair for approval by the Distribution System Committee an annual (or more frequent, as needed) itemized billing for services rendered and a statement of associated expenses for payment from the funds of the Distribution System;

(h) Submit all records of the Distribution System thus maintained:

**ADMINISTRATIVE RULE R655-15**  
**DISTRIBUTION SYSTEMS AND WATER COMMISSIONERS**  
Draft date 1/16/2007

(i) To the Chair of the Distribution System Committee upon termination of service as Secretary; or

(ii) To the State Engineer upon dissolution of the Distribution System.

(11) A Distribution System Committee whose actions are ratified by the water users shall prepare recommendations for the water users regarding:

(a) The recommendation to the State Engineer concerning the appointment of a Water Commissioner;

(b) The recommendation to the State Engineer concerning the appointment of a Deputy Water Commissioner need not be ratified by the water users;

(c) The duties of the Water Commissioner or Deputy Water Commissioner specific to the Distribution System;

(d) The operating budget for the Distribution System including compensation for the Water Commissioner and Deputy Water Commissioner;

(e) The total of the assessments to be levied to meet the operating expenses of the Distribution System; and

(f) Any other business necessary for the proper operation of the Distribution System.

(12) A Distribution System Committee whose actions need not be ratified by the water users shall make all decisions and recommendations on behalf of the water users regarding the items listed above.

(13) The Distribution System Committee may recognize and authorize the seating of a substitute member of the committee to act in the place of any member absent or otherwise unable to attend to those duties. The substitute member shall be selected from among the same group represented by the absent member.

**R655-15-10 Distribution System Chair**

(1) If a Distribution System Committee is not established, the water users shall elect a Chair and Vice-Chair by majority vote of the water users present at an Annual Meeting or specially called organizational meeting.

(2) A Chair shall have responsibility to:

(a) Conduct all Annual Meetings of the water users; and

ADMINISTRATIVE RULE R655-15  
DISTRIBUTION SYSTEMS AND WATER COMMISSIONERS

Draft date 1/16/2007

- (b) Act as agent of the water users in communications with a Water Commissioner, a Deputy Water Commissioner, the State Engineer, the water users and other entities.
- (3) The Vice-Chair shall assist in all duties of the Chair and assume the duties of the Chair when the Chair is absent or otherwise unable to fulfill those duties.
- (4) The Distribution System Chair shall select and retain the services of a qualified Secretary who shall:
  - (a) Keep accurate and complete minutes of all Annual Meetings of the water users;
  - (b) Prepare copies of the minutes of each Annual Meeting of the water users for distribution, review and approval by the water users present at the next subsequent Annual Meeting;
  - (c) Maintain a permanent record of all minutes of the Annual Meetings of the water users;
  - (d) Maintain a permanent record of all materials, reports, agendas, budgets, etc., presented or considered in Annual Meetings of the water users;
  - (e) Submit to the Chair an annual (or more frequent, as needed) itemized billing for services rendered and a statement of associated expenses for payment from the funds of the Distribution System;
  - (f) Submit all records of the Distribution System thus maintained:
    - (i) To the Distribution System Chair upon termination of service as Secretary; or
    - (ii) To the State Engineer upon dissolution of the Distribution System.

**R655-15-11 Water Users**

- (1) Water users shall pay distribution assessments within the deadlines established in this rule.
- (2) Water users shall participate in organizational or Annual Meetings to:
  - (a) Select representatives to serve as members of the Distribution System Committee or to elect a Distribution System Chair and Vice-Chair;
  - (b) Exchange information with the State Engineer, Water Commissioner and Distribution System Committee or Distribution System Chair pertinent to the fulfillment of the purposes of the Distribution System.

ADMINISTRATIVE RULE R655-1s  
DISTRIBUTION SYSTEMS AND WATER COMMISSIONERS  
Draft date 1/16/2007

(3) A water user who is unable to attend an Annual Meeting or other meeting of the Distribution System may designate a person by proxy to act in the water users stead in the conduct of official business of the Distribution System. The proxy shall:

(a) Be in writing;

(b) Name the person who is giving the proxy and who is recognized as a water user on the Distribution System;

(c) Name the person who is designated to act in the place of the absent water user;

(d) State the meeting and the date of the meeting at which the proxy is to be used;

(e) State any limitations on the authority of the proxy to act in the place of the absent water user;

(f) Be signed by the water user giving the proxy;

(g) Be submitted to the Distribution System Committee or the Distribution System Chair at the meeting where the proxy is to be used; and

(h) Be retained by the officers of the Distribution System as part of the records of the meeting.

(4) Except as provided below for a voting block, each water user shall have one vote in the conduct of official business of the Distribution System.

(5) To assure equitable representation of the interests of all water users in conducting the business of the Distribution System, the State Engineer may organize water users into voting blocks.

(a) A simple majority of the water users in a voting block shall determine the vote to be cast by the voting block.

(b) Each voting block in a Distribution System so organized shall have one vote in the conduct of the official business of the Distribution System.

(6) A water users shall assist the Water Commissioner in fulfilling the duties of that appointment as they pertain to the rights of the water user.

(7) Each water user shall abide by the regulation and distribution of water issued or set by a Water Commissioner and any appointed Deputy Water Commissioner, including but not limited to head gate and/or control structure settings. A water user who fails to abide by the direction of

**ADMINISTRATIVE RULE R655-15**  
**DISTRIBUTION SYSTEMS AND WATER COMMISSIONERS**

Draft date 1/16/2007

a Water Commissioner or Deputy Water Commissioner in the performance of official duties is subject to enforcement proceedings and resulting administrative penalties.

(8) Each water user shall maintain in workable and accessible condition all head gates, control structures, measuring devices and other equipment determined necessary by the State Engineer for the Water Commissioner's control, measurement and delivery of water.

(a) Measuring devices, head gates, and control structures shall be installed at each location determined necessary by the State Engineer.

(b) Measuring devices, head gates, and control structures shall be of a design approved by the State Engineer.

(9) Water users shall provide reports on water use as required by the State Engineer pursuant to Section 73-5-8.

**R655-15-12 Annual Meetings**

(1) The State Engineer shall hold an Annual Meeting of the water users and/or the Distribution System Committee prior to the start of each distribution season.

(2) The purpose of the Annual Meeting shall be to address the following matters:

(a) Review, amend as necessary, and approve the minutes of the next previous Annual Meeting;

(b) Review the finances of the Distribution System including:

(i) Current account balance of Distribution System funds;

(ii) Budgeted amounts and expenditures of the previous fiscal period;

(iii) Status of assessment collections including delinquent accounts;

(c) Set a budget for the current or prospective fiscal period. The budget shall provide for the following expenses:

(i) Compensation of the Water Commissioner(s), Deputy Water Commissioner(s), and Secretary;

(ii) Office and clerical expenses as are necessary for the effective distribution and regulation of water on the Distribution System;

(iii) Equipment expenses as are necessary for the effective distribution and regulation of water on the Distribution System;

ADMINISTRATIVE RULE R655-15  
DISTRIBUTION SYSTEMS AND WATER COMMISSIONERS

Draft date 1/16/2007

(iv) Other expenses necessary for the effective distribution and regulation of water and operation of the Distribution System including those determined necessary by the State Engineer such as the State Engineer's Assessment for disbursement of funds, accounting, and assessment collection.

(d) Set a total assessment to be collected from the water users to defray the expenses of the adopted budget.

(e) Hear, review, and approve the Water Commissioner's Annual Report; if the report is unacceptable, motions may be adopted to amend the report;

(f) Review and amend, subject to approval of the State Engineer, the duties of the Water Commissioner;

(g) Review the performance of the Water Commissioner and hear any commendations, comments, or complaints relative to the previous year.

(h) Recommend the appointment of a Water Commissioner, as may be necessary;

(i) Elect members of the Distribution System Committee, as may be necessary

(j) Receive a report or other information from the State Engineer concerning matters pertinent to the operation of the Distribution System;

(k) Conduct any other business as may be necessary to fulfill the purposes of the Distribution System.

**R655-15-13 Distribution System Committee Meetings**

(1) Distribution System Committee meetings shall be held as necessary to fulfill the purposes of the Distribution System.

(2) Distribution System Committee meetings may be held in lieu of or in addition to the Annual Meeting with the water users as determined by the State Engineer.

(3) The Distribution System Committee Chair and Vice-Chair shall be elected at a Distribution System Committee Meeting.

(4) If the Distribution System Committee meeting is held in lieu of the Annual Meeting with the water users, the purpose of the meeting shall be to address the matters described in Section entitled "Annual Meetings" above.

**ADMINISTRATIVE RULE R655-15**  
**DISTRIBUTION SYSTEMS AND WATER COMMISSIONERS**

Draft date 1/16/2007

(5) If the Distribution System Committee meeting is held in addition to the Annual Meeting with the water users, the purpose of the meeting shall be to review information and develop recommendations on the matters described in the foregoing Section entitled "Annual Meetings" for presentation to the water users.

**R655-15-14 Assessments**

(1) A Distribution Account shall be established by the State Engineer for each water right or group of water rights within the Distribution System that shall include:

(a) An account number;

(b) The name, full mailing address, and other pertinent contact information for the person responsible for payment of the assessment associated with the account;

(c) The water right or rights associated with the account;

(d) Any other information that may be pertinent and useful in enabling identification of the water sources, beneficial use of water and place of use of the water rights associated with the account.

(2) Assessments to each Distribution Account shall be calculated so as to collect from each water user a pro rata share of the monies necessary to defray the expenses of the budget adopted at the Annual Meeting of the water users or at the Distribution System Committee meeting.

(3) The method of calculating assessments shall be determined by the State Engineer, in consultation with the water users or Distribution System Committee, to best meet the needs of the Distribution System and assure an equitable distribution of costs among the water users. The assessment method for a Distribution System may be:

(a) The proportion of the total annual assessment amount which the allowed irrigated acreage under the Distribution Account bears to the total allowed irrigated acreage within the Distribution System; or

(b) The proportion of the total annual assessment amount which the allowed water flow (cfs) or allowed annual diversion (AF) under the water rights in the Distribution Account bears to the total allowed flow or diversion allowance for all water rights within the Distribution System; or

(c) The proportion of the total annual assessment amount which the quantity (AF) of water actually taken by or delivered under the rights in the Distribution Account (as reported by the Water Commissioner for the year prior) bears to the total quantity of water actually taken or delivered within the Distribution System; or

ADMINISTRATIVE RULE R655-15  
DISTRIBUTION SYSTEMS AND WATER COMMISSIONERS

Draft date 1/16/2007

(d) Any other method of calculation which shall be acceptable to the water users and approved by the State Engineer and which results in an equitable and proportional sharing of system costs among the water users.

(4) Assessment notices shall be mailed to the responsible party for each Distribution Account no later than April 1 of each year unless unusual circumstances require a delay.

(5) Assessments for Distribution Systems shall be due and payable on or before May 1 of the year in which they are levied.

(6) A delinquency charge shall be levied against Distribution Account balances that remain unpaid as of June 1 of each year.

(a) The amount of the delinquency charge shall be 10% of the unpaid Distribution Account balance unless otherwise determined by the State Engineer in consultation with the water users or Distribution System Committee.

(b) The delinquency charges collected shall be deposited in the Water Commissioner Fund dedicated to the Distribution System.

(7) Actions taken for collection of delinquent accounts shall be at the discretion of the State Engineer as provided in Subsection 73-5-1(3)(c). Costs incurred by the Division in collection of delinquent accounts shall be included in the administrative costs budgeted as the State Engineer's Assessment for disbursement of funds, accounting, and assessment collection.