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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
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Division of Water Resources

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November 2, 2015

Mr. Zach Frankel, Executive Director
Utah Rivers Council
1055 East 2100 South, Suite 204
Salt Lake City, Utah 84106

Zach:

As you know, the Utah Division of Water Resources is involved with ongoing studies for the Lake Powell Pipeline Project. We are still in the process of determining costs for the project and many questions still remain. Design, construction, environmental, and archeological concerns are all related and part of the repayment plan.

Repayment for the project is specified in the Utah Code 73-28-402, as stated below:

“Agreement for delivery -- Period for repayment of costs.

- (1) The board and each district shall establish by contract the timing and amount of developed water to be delivered to the district.
- (2) If a contract was made before the project's completion, the district shall repay the preconstruction and construction costs within 50 years from the date of:
 - (a) the delivery of developed water to the district during the first 10 years after the project is completed; or
 - (b) the project's completion for any developed water delivered to the district after the tenth anniversary date of the project's completion.
- (3) If a contract was made after the project's completion date, the district shall repay the preconstruction and construction costs within a period not to exceed 50 years from the date that the contract was made.
- (4) The board shall establish and charge a reasonable interest rate for the unpaid balance of reimbursable preconstruction and construction costs.”

The preliminary repayment numbers are dependent upon the total cost of the project and the amount of water contracted. These data are not available for public review.

Thank you,

Eric L. Millis, P.E.
Director

