



# FY 2018 / FY 2019 BUSINESS CASE

**Agency: Utah Division of Water Resources**

**Request Title: Dam Safety Upgrades to NRCS Partnered Dams**

**Amount Requested: \$8,425,000 General Funds**

**Duration of Funding:**  FY 2018 one-time  FY 2019 one-time  FY 2019 ongoing

**Appropriation Code: RPG**

**Funding Type Requested: General Funds**

## **Detailed Description of the Request and Why it is Important:**

The Division of Water Resources has worked with the NRCS (Natural Resource Conservation Service) on dam safety projects for several years. The NRCS has obtained funding from the U.S. Congress to upgrade deficient, federally designed dams to meet current safety standards. A significant portion of the national funding under this program has come to the state of Utah. By partnering with the NRCS, 100% of the design costs and 65% of the construction costs are covered by the NRCS. The state of Utah is interested in partnering with the NRCS because normally the state funds 90% of the cost of a dam safety upgrade, but through this partnership, would only need to fund 31.5%. This partnership would help the state bring more dams into compliance with minimum safety standards than through the traditional dam safety funding program. Due to a special \$11 million appropriation from the Utah Legislature in 2015, the state is able to provide 31.5% of the construction cost on three NRCS partnered dams (Silver Lake Flat \$1.6M, Tibble Fork \$2M, and Millsite \$8.6M). The NRCS is prepared to partner on 10 additional dams, bringing over \$20 million dollars in additional dam safety funding to Utah. In order for the state of Utah to provide its 31.5% cost share, we will need an additional special appropriation of \$8,425,000 in dam safety grant funds. This amount includes a 20% cost contingency on the remaining dams, due to unforeseen conditions that are often encountered when performing dam safety upgrades. The following table shows a summary of the anticipated dam safety costs:

### **Request for Additional Dam Safety Funds**

<b><u>Dam</u></b>	<b><u>State Cost</u></b>
	<b><u>31.50%</u></b>
Additional Millsite	\$ 1,185,000
Battle Creek	\$ 788,000
Grove Creek	\$ 638,000
Gypsum Wash	\$ 244,125
Warner Draw	\$ 212,000
Stucki	\$ 88,400
Dry Creek	\$ 1,000,000
Glenwood	\$ 450,000
Ivins 1-6	\$ 475,000
Santaquin	\$ 1,210,000
Sand H	\$ 730,000
Subtotal	\$ 7,020,525
20% Contingency	\$ 1,404,105
<b>Total</b>	<b>\$ 8,424,630</b>

**If this Project/Program is not funded, Identify Alternative Solutions:**

If no state match money is provided, some dam owners may be able to find alternate loan financing, but likely not grant funding. Many of the projects on the list would not be able to proceed to construction without the 31.5% state grant. If dam owners are unable to find funding sources to match the NRCS grants, the dam safety upgrade work will not proceed. Because these are high hazard dams, failure to bring them up to current safety standards could put lives and property at risk.

**How will you Measure Success if this Project/Program is funded:**

Complete minimum dam safety standards upgrades to 10 additional dams. Success will be measured by monitoring and tracking the individual dam safety upgrade projects through to completion. After upgrade work is completed, the dams will continue to be inspected regularly for safety compliance.

**FY2019 Budget Increase Summary**

<b>Financing</b>	<b>FY 2019</b>	<b>Expenditures</b>	<b>FY 2019</b>
General Fund	\$8,425,000	Personal Services	
School Funds		In-State Travel	
Transportation Fund		Out-of-State Travel	
Federal Funds		Current Expense	
Dedicated Credits		DP Current Expense	
Restricted Funds		DP Capital	
Transfers (specify)		Capital Outlay	
Other (specify)		Pass Thru/Other	\$8,425,000
Beginning Balance		<b>Total Expenditures</b>	<b>\$8,425,000</b>
<b>Total Financing</b>	<b>\$8,425,000</b>	<b>FTE's:</b>	<b>0.0</b>