

**Bear River Water Conservancy District
Board Meeting
Wednesday November 18, 2020 7:00 p.m.
Bear River Water Conservancy District Conference Room
102 West Forest Street, Brigham City, Utah**

This meeting was held electronically via GoToMeeting.com

Minutes

Present: Trustees: Roger Fridal, Charles Holmgren, Mark Larson, Russ Howe, Neil Capener, Jay Carter, Tyler Vincent, David Forsgren, Jay Capener, Jeff Scott

Absent: Richard Day

Staff: General Manager Carl Mackley, Systems Operator Robert Thayne, Administrative Assistant Jill Jeppsen

Other: Paul Larsen, Brigham City Community Development

Welcome: Chairman Roger Fridal

Adoption of the Agenda – Chairman Roger Fridal

A motion was made by Financial Chairman Holmgren to approve the agenda. The motion was seconded by Vice Chairman Forsgren. All Board Members voted in favor of the motion.

Declaration of Conflicts of Interest: None

Approval of the Minutes for the Board Meeting held October 28, 2020

The minutes of the Board Meeting held October 28, 2020 were included with the packet that was provided to the Board Members.

Vice Chairman Forsgren made a motion to approve the minutes of the meeting held October 28, 2020. The motion was seconded by Board Member Carter. All Board Members voted in favor of the motion.

Financial Business – Charles Holmgren

Approval of Financial Statements

The financial statements for October 2020 were prepared and provided to the Board Members. Financial Chairman Holmgren has reviewed the reports and asked the Board to approve them.

A motion was made by Board Member J. Capener to approve the financial statements as presented. The motion was seconded by Board Member Scott. All Board Members voted in favor of the motion.

Paul Larsen, Brigham City Community Development presented an Interlocal Agreement for the 1100 South CDA to the Board for approval.

Box Elder County Commission has approved the agreement and Brigham City has approved it. It will be presented to the Mosquito Abatement District in December and then to the School Board.

There is no cap on the dollar amount, just the 20-year term. The tax increment would begin in 2021. The project area was established in 2009, but there has been no budget or tax increment established during this period. The document states that the longest the agreement can go is to 2044, or 20 years from the budget trigger. The tax increment will be 70% to the project and 30% to the District. There is a lot of infrastructure to go into this project area and it will take the entire 20 years to pay for it. The project will be a mix of commercial, office and residential units. It is hard to estimate the future valuation of taxes due to the type of development this is.

The 30% of the tax increment coming to the District will be windfall. There is no way the District cannot come out ahead. The map shows that the existing buildings are excluded from the development project. Taxes on the undeveloped areas are far less now than what 30% of the developed properties will be to the District.

A motion was made by Vice Chairman Forsgren to approve the Brigham City Community Development Agreement for the 1100 South Community Development Project Area. The motion was seconded by Board Member Scott. All Board Members voted in favor of the motion.

Public Comment: None

General Manager's Report – Carl Mackley

Brigham City Water Supply Agreement: We met with Tyler Pugsley and Derek Oyler of Brigham City on November 4th, there were 5 of our board members also in attendance. It was a positive meeting and a new approach was introduced by Brigham City for a Water Supply Agreement. They proposed a take-or-pay contract for the Harper Ward supply. The District agrees to purchase 100 acre-feet of water annually from Brigham City at their going rate of \$443 per acre-foot. We currently average about 65 acre-feet per year for retail users. We would be agreeing to purchase more than the amount that we typically use. Brigham City's conditions are strict, but at the same time it returns control to the District on how we can use the water to supply our customers. Even though we will be paying for extra water that we may not use, it is a benefit to have 100 acre-feet because it will allow us to sell more retail connections. Brigham City is working on having the agreement written up and will submit a draft copy to us. In the new agreement, if we go over the 100 acre-feet, the price doubles per acre-feet. We do not anticipate going over the 100 acre-feet unless we were supplying wholesale water. In the case of an emergency for another entity, Brigham City has stated they will want a separate wheeling agreement to be able to supply West Corinne Water Company through our system. We probably will not supply any wholesale water until we have our own source. Brigham City has proposed a 5-year agreement and we suggested a 3 year. Most likely we will have a 5-year agreement with an opt-out clause after 3 years. It

is aggressive to suggest we would have our own source in 3 years, but we should plan on having it in 5 years.

Harper Ward Rate Study: We are looking at our retail rates for the Harper Ward system. There are 13 customers that have used zero water in 5 years and are paying the minimum bill. There are 6 customers on the high end that average 19% of the water use every year. We will have more details to report from this study next month.

Collinston Well: We are still interested in the well we have talked about to possibly do a secondary water system in Collinston. It feels like the well is a gift to the District as it is just sitting unused. It does have potential, the results of the water quality samples we took came back excellent. We took samples after only running the pump for 6 hours, and we believe it has not been run for about 10 years. There are some metals which are slightly high, probably due to the concentration of minerals that are sitting on the inside of the casing. There is some important potential for secondary irrigation, if the numbers pencil out, and it will involve using an existing well as a source. If we don't end up doing a secondary irrigation system, there is also potential as a test well to test the production capability if the District was going to drill a culinary well in Collinston. This well is not drilled to the standard for a culinary well. It is exciting because of the quantity potential and the water quality potential. It is immediately adjacent to our existing water system and our water users. General Manager Mackley said he does not see how he could not recommend an existing well like this, that is not being used and has this kind of potential, for a system that needs its own sources of water, to the Board for consideration.

During testing, we were pumping at 75 gpm with a 5-horsepower pump. We filled a 3500-gallon truck to clear the stagnant water from the well. The static level quickly dropped from 36 feet to 75 feet then the drop rate slowed. The well has perforations starting at 56 feet and water was coming through the perforations into the well and confusing the readings coming from the sounder. It was difficult to determine the static level, but after 6 hours of pumping it appears to be around 83 feet. What ever this well produces above 100 feet will have to be sealed off and the well will probably need to be further developed to increase production.

There was a short discussion regarding the Harper Ward rate study and the proposed rate structure regarding the base rate and the tiered rates. The rate study accounts for users that are not currently using water, and for the high-water users. There was a question if we have enough water in the 100 acre-foot allotment by Brigham City if the customers that are not currently using water begin to use water. We have accounted for these users in our calculations. We have an idea how many connections we can add in the next 5 years until we have our own source. We should be able to have a report of the proposed new rates to present to the Board at our next meeting.

Approval of 2021 Tentative Budget

The 2021 Tentative Budget was provided to the Board Members. They were presented with an explanation on items that vary from the 2020 budget and planned capital projects.

Board Member Howe made a motion to approve the 2021 tentative budget as presented. Board Member N. Capener seconded the motion. All Board Members voted in favor of the motion.

System Operations – Robbie Thayne

Backup Well Enclosure: Work has started on the enclosure for the backup well. The foundation will be poured on Friday. We will be working quickly to finish the enclosure before it gets too cold.

Newman Well: The static level is slowly rising, so far it has come up only about 3 inches. The farm stopped taking water about 2 weeks ago. It is encouraging to see it come up, even a little. Its better than still going down.

West Corinne Water Company has their spring back online and is no longer taking water from us. Thatcher is taking some water to fulfill their contract. Bothwell Water Company is taking a little water due to need. Tremonton is still taking a little through the UDOT connection and bypass 2, as they usually do. Riverside is taking about 100 gpm, they will continue for another week until their contract is fulfilled.

PRV Repairs: Because the lead has been removed from the brass fittings, they are susceptible to corrosion and we have recently lost a PRV in Bothwell and one in Beaver Dam. We are upgrading to stainless steel replacement parts. Most of the water systems around are changing to stainless steel. Board Member Howe mentioned that Thatcher has changed to stainless steel fittings and have not had any problems since the change.

We have two new retail connections going in tomorrow: one in Bothwell, one in Collinston.

South Willard Well: there has not been any progress to pull the pump, yet. The well driller had an accident and is out of commission for a while. We are hoping they will be there this week to begin work. Their rig is there and mounted to the ground and looks like it is ready to go.

We put about 5 feet of water in the tank to provide fire protection. There was some stagnant water in the transmission line to the South Willard Water Company (SWWC) connection. This is a 16 inch waterline, and our system is only using 5.5 gpm. It takes a long time to clear the water out of this size pipe when the usage is so low, so we have been flushing the waterlines to clear them and progress is being made. Since we use such a small amount of water, we will not need to take much from SWWC.

We added a submersible pump in the tank to mix the water. It is stirring the water and we can get the same residual all around the tank. This will be a good temporary solution. Thanks to Board Member Carter for this suggestion.

Trustee Reports

Dave Forsgren – Reports he spoke with Troy McNeely from Honeyville. The waterline extension project is completed. They had some problems with bacteria in the line, diesel exhaust from some equipment working on the project got into the pipe and they were not able to get it our for several months. It has since been cleared and the system is working to bring water from the south tank to the

north. This change should cut down on overflowing the south tank in the Spring and the usage requirements on the north well. With the completion of this project they have a good distribution system from the south well to the north well. It might be a good place for the District to wheel water to the Collinston area if the need arises.

Jay Carter – No report

Russ Howe – No report

Neil Capener – No report

Mark Larson– No report

Tyler Vincent – No report

Jay Capener – No report

Charles Holmgren – No report

Roger Fridal – Suggested postponing the December 1st Christmas Dinner to sometime in the Spring when the COVID-19 regulations are changed, and we can meet in person and enjoy the meal and some socialization. The Board Members agreed.

A motion was made by Vice Chairman Forsgren to adjourn the meeting. The motion was seconded by Board Member Howe. All Board Members voted in favor.

The meeting adjourned at 8:30 PM.