

**Bear River Water Conservancy District
Board Meeting
Wednesday June 23, 2021 7:00 p.m.
Bear River Water Conservancy District Conference Room
102 West Forest Street, Brigham City, Utah**

Minutes

Present: Trustees: Roger Fridal, David Forsgren, Charles Holmgren, Russ Howe, Jay Capener, Richard Day, Jeff Scott, Neil Capener, Jay Carter

Absent: Tyler Vincent, Mark Larson

Staff: General Manager Carl Mackley, Assistant General Manager Andrew Beecher, Systems Operations Manager Robert Thayne, Administrative Assistant Jill Jeppsen

Other: Chris Slater, Weston Bellon, JUB Engineers

Welcome: Chairman Roger Fridal

Invocation: Andrew Beecher

Pledge of Allegiance: Carl Mackley

Declaration of Conflicts of Interest: None

Adoption of the Agenda –Chairman Roger Fridal

A motion was made by Board Member Day to approve the agenda. The motion was seconded by Board Member Howe. All Board Members voted in favor of the motion.

Approval of the Minutes for the Board Meeting held May 26, 2021

The minutes of the Board Meeting held May 26, 2021 were included with the packet that was provided to the Board Members.

Financial Chairman Holmgren made a motion to approve the minutes of the meeting held May 26, 2021. 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 May 2021 were prepared and provided to the Board Members. Financial Chairman Holmgren has reviewed the reports and asked for the Board to approve them.

A motion was made by Financial Chairman Holmgren to approve the financial statements as presented. The motion was seconded by Board Member Day. All Board Members voted in favor of the motion.

Drought Resiliency Plan Presentation – Chris Slater, JUB Engineers

Mr. Slater gave a slide presentation to the Board Members giving a summary of the Regional Drought Planning Meetings that were held by the District. An electronic copy of the Drought Resiliency Plan was provided to each of the board members for their review. The document is available at the BRWCD office for public inspection. This plan will become part of our Master Plan.

The board members requested this item be added to next month's agenda, so they have time to review the plan before adoption.

Conservation Plan Update – Andrew Beecher

Mr. Beecher explained that in a response to rapid growth throughout the state and a concern for the future availability of the water supply, the Utah State Legislature passed and amended the "Water Conservation Plan Act" (73-10-32 Utah Code Annotated). This law requires water conservancy districts and retail drinking water providers to prepare a water conservation plan, submit the plan to the Utah Division of Water Resources and to update the plan at least every five years. A copy of the Draft Updated Conservation Plan was included in the Board Member packets. A lot of this plan contains information and history of each of our systems. We updated the tables that show the water use for each system for the last 5 years, 2016 – 2020. As shown in the second paragraph on page 5 the State has set a regional goal for the Bear River region to reduce the gallons per capita per day (gpcd) by 18% from 304 gpcd in 2015 to 249 gpcd in 2030. Total culinary water usage compared with the number of people served by BRWCD's retail systems is shown in the calculation above. The average BRWCD customer used 214 gallons of water per capita per day (gpcd) (all systems included) in 2020. This is below the projected goal of 249 gpcd.

Board Member Carter asked about the percent of culinary water being used outdoors, basically we could save about 70% if there was no outdoor use. Tremonton figures about 60% for outdoor use. Mr. Beecher continued showing how each of our systems is different in their usage. The use is higher where people do not have a secondary water source. The report continues with our water sources and inventory and a brief history on each of these sources. There are growth projections for 2030 and 2050.

Board Member N. Capener stated that Riverside North Garland did their Master Plan with growth projections, and they are already at the 2040 amount. General Manager Mackley added when BRWCD updated our Master Plan in 2015, to be conservative, we used aggressive growth figures based on areas of rapid growth, like Weber and Davis Counties at the time. This is the rate of growth some areas of the Box Elder County are seeing now.

There was a discussion among the Board Members about growth, and what happens to the irrigation water when these large subdivisions are coming in. It does not appear that it is staying with the ground to provide secondary water for the subdivisions. The Board Members agree there needs to be a policy in the county for this to happen. In the incorporated areas, there is some control regarding the water. This also depends on where the water is coming from. The thought is it must come from the water supplier to require secondary water be provided in new developments. The downside to this policy is that it allows the best ag land to be developed. As a public entity we can have policies that make sense for the best use of the resources we have.

Two landowners have approached the County Commission to zone their ground, it is currently unzoned. They are petitioning to have it zoned as an agriculture zone to prevent development from happening near them. There was discussion of a proposed 250 home development and the requirements for sewer.

Board Member J. Capener asked if we would be better off keeping our water in the Bothwell pocket and let the developers drill a well, instead of piping the water from the pocket to one developer. We cannot drive development but maybe we can steer it by using our resources in the best way.

General Manager Mackley injected that we do need to come up with plans that include other entities. Speaking of the County's new General Plan they are working on he said it is very well done, they reached out to the public as much as the public was willing to respond, to get input. So why are we not working together? Why does their plan go in one direction, and ours goes in another and the developers are manipulating everybody that they can to get what they want? It seems that we need a better plan that considers the public water suppliers, the canal company, and the county in those unincorporated areas.

The farmers are getting their retirement by selling the land. We cannot control who they sell the land to, but we can influence it by our policies and changing how we do things now. We have to recognize change needs to happen; we cannot kick the can down the road 5 years. If we do, nothing will change, and we will still be talking about it. General Manager Mackley added he would like to see more collaboration in planning with land and water entities. This is an issue that exists in many areas. It is something we have not really had to do in the past, but we need to do now. The beginning point is that the County, the District and the Canal Company can agree that we should be talking and planning together instead of coming up with individual plans on how new growth takes place, and where. A lot of people are coming to the area because they are losing the rural feel in other areas. The discussion continued regarding zoning and the individual choice to sell land.

The discussion ended and Andrew continued his presentation of the Conservation Plan update by focusing on the Water Problems and Goals areas of the report. He let the Board Members know that the State requires this draft version to be submitted by July 15th. They will review it and suggest changes to be made, the final version is due by December 31st. We also need to include a Public Hearing to accept the document and will combine that with our budget hearing in December. Andrew asked the Board to adopt the draft version, and to make any suggestions for goals that may need to be updated or changed to be included in the final version.

A motion was made by Financial Chairman Holmgren to adopt the Draft Conservation Plan 2021 Update to be provided to the State of Utah by July 15, 2021. The motion was seconded by Board Member Howe. All Board Members voted in favor of the motion.

System Operations – Robbie Thayne

Projects that are going on now:

Harper Ward well pad, the top pad is complete, and the lower pad is being worked on now. The road is nice. The District owns the right of way to the properties. We are encouraged about this property. There seems to be a lot of water in the area. We will be required to monitor the springs in the pond that is south and west of this property. We are planning to put in some measuring devices. We want to put them in before we drill the well to have a baseline. Harper Irrigation Company owns the pond. The irrigation company has been good to work with.

Richard and Ben have been replacing **Harper Ward** meters. We had to stop the project due to a meter shortage. There is a plastic shortage and meters are about 6 months out. We would like to place an order for 100 meters. This will take a lot of money and needs Board approval to submit a purchase order. We only have 21 meters in stock and have the possibility of 50 more connections with the new subdivisions that are in progress. We also have 61 dry taps that could convert at any time. A meter and the radio are \$290.00 each. The barrels and other setup parts are \$680.00 each, we can go slower on ordering these parts as we collect the revenue from the customers for connections. We will order what we have money for. This is a budget neutral item, because we buy what we need, then the customers pay for it. But we have to float the funds to place a large order. The setup parts are more available than the meters and radios. The supplier will leave an open ticket and as supply comes in, they will ship them to us. We can take money from savings and replace it as meters are purchased by customers. Most of the possibility of 50 meters are in the new subdivisions being developed, and construction on the homes has not started so it will be a few months before they are ready for a meter. We have notified the developers and asked them to forward the information on to their clients so they can let their builders know they will not have water until January and can schedule around it. We do not want panic buying from customers. Our suppliers are not requiring a down payment, we need to place an order to get in line. Financial Chairman Holmgren suggested we order the meters and then purchase the barrels and lids as we can. Board Member Scott agreed with this process.

A motion was made by Board Member J. Capener to approve spending up to \$40,000 according to what management feels like they need, 100 meters, barrels & lids. The motion was seconded by Vice Chairman Forsgren. All Board Members voted in favor of the motion.

Flat Canyon Well – Equipment has been brought in and they will begin development this week. This will be the surging and cleaning to develop the well.

Country Ranchettes Development – They are planning to start their waterline project in mid-July.

West Corinne Water Company is taking water from us at about 200 gpm. They have adjusted their booster to the point where they can take 200 gpm and when their booster is on, they can take 140 gpm. They are grateful for the water and have been great to work with.

South Willard Well – We have not seen anything from Ron Warren yet. He said they have had equipment issues they are working on.

Wholesale Water: Riverside North Garland is taking 100 gpm, Bothwell is taking 75 gpm, Tremonton is taking between 300 and 400 gpm. Chanshare is taking about 1300 gpm from the Newman. We think they will run out of their allocation before September.

Water Supply: Beaver Dam Springs are on a downward trend. It is going down every week. Bothwell wells have gone down about 6 feet since January.

General Manager's Report – Carl Mackley

General Manager Mackley started his report by proposing a Drought Response Plan to respond to the current drought situation. The District is a sponsor of the Slow the Flow Campaign and we need to respond. Through conversation this past month and calls from different public water suppliers and being informed of our own situation, we need to take action and respond to this drought. We have put together an Emergency Drought Response Plan that is appropriate for the situation. General Manager Mackley provided a table to address the retail customer side of the plan, we also have a plan for the wholesale customers. The governor has given certain mandates and in response we are trying to see what is the current average water use of each of our systems (because each one is different) by month for the last 5 years and then average these numbers. Based on that data, we want to achieve an indoor use reduction of 20% and an outdoor use reduction of 50%, which is intended to still supply some water to people so they can water their gardens, bushes and trees and minimally water their lawns. The lawns will not die, they will go dormant. The goals are lofty, but it is an appropriate response and people can achieve the reduction. A lot of people are already doing a lot of things to reduce usage and we commend all of them. This plan is appropriate because it addresses the major use component, which is lawns. We feel we can get through this year, but if we have another year like this one next year, it will be problematic. The future does not look good as far as water supply. This can change, but we do not know when, so it is a very appropriate, cautionary response to create this plan to respond to the drought situation. To accomplish these goals, we are proposing to adjust our monthly tiered rates. We will have to read meters every week and put the meter reading information on our website without any personally identifying information, only the account numbers. We are proposing these target amounts by month that we want people to stay under, and if they stay under this target amount, they will pay only the base rate, this is a financial attractive feature. If they go over the target amount, we are proposing two tiered rates; the first is \$5 per 1000 gallons up to 50,000 gallons, the second is anything over 50,000 will be \$10 per 1000 gallons. If people were to strictly follow these guidelines our annual revenue will be reduced by ~\$59,000. If they continue to use the average amounts, we will earn an additional \$52,000. This shows there is more incentive for our customers to conserve and reduce their use on their lawn, than there is penalty if they go over.

There was a discussion on how to reduce indoor use, and that this is a small component of the plan, it is really to encourage reduced usage outdoors.

Financial Chairman Holmgren expressed his concern for the reduced revenue if all our customers followed this plan. General Manager Mackley stated that conservation is expensive. This is not just conservation; it is more extreme to respond to the current drought and will trickle over to next year. We must respond. The question was asked if people come accustomed to conservation, will we have to look at adjustments in rates to compensate for the lost revenue? This is intended to be a temporary drought response. We also need to have an appropriate time to keep these rates in effect. The Board thought one (1) year is appropriate. We can review before May of next year, when high usage begins, and should have a good idea of where we stand. We have a post card ready to send to our retail customers to inform them of a public hearing on July 7th and present this plan to them and allow them to comment. Suggestions of how to reduce water usage can be found on our website newsletters.

The wholesale portion of the Drought Response Plan is simple. It is noted in our Conservation Plan that Andrew presented, our take-or-pay agreements do not encourage conservation. What we are asking for now is a drought response that is stronger than conservation. We do not have control, nor are we looking for control, on what our wholesale customers do with the water. The only feasible component that we can use to address the issue is to wave, for this year, the take-or-pay minimum amount to the wholesale customers that do not need the full amount, if they will submit to us the details of a drought response plan that they are using. If they are doing that, we should help them by waving the minimum purchase under the terms of our Drought Response Plan. We will not change any rates, we will only bill for the volume used. This could have a financial hit to us, but it is good to give them an incentive. We would like to have what kind of water savings their plan would mean for them. Each entity needs to come up with their own plan. Most of our wholesale customers will take at least the minimum amount, some of the smaller companies may not. Where West Corinne just entered into a new agreement with us, they may not need the full amount, Thatcher Penrose for the past several years has taken water only in November or December just to meet the minimum. They save the water as a safety net in case of emergency. Chairman Fridal added that Tremonton City has had their canal water cut back by 19 hours a week for the secondary system. The City has implemented the same restrictions on the culinary system to encourage people to conserve.

Vice Chairman Forsgren made a motion to approve the Emergency Drought Response Plan as presented for one year effective July 1, 2021. The motion was seconded by Board Member Scott. All Board Members voted in favor of the motion.

Amid the myriad of changes in projects that have been completed, and projects that we have started since the 2017 Master Plan came into place and with the current housing and growth boom in our county, we would like to start working on a Master Plan update. Typically, this is a big deal, and we would need to get funding because of the cost due to hiring an engineering firm. The Master Plan needs to incorporate more cooperation and collaboration between the Bear River Canal Company, Box Elder County and the Conservancy District and other municipalities, which we have been working with. General Manager Mackley is asking the Board Members for an opinion on doing an update that addresses those concerns and working with the Canal Company which we have not done in the past. We are not trying to put together plan details yet, just looking for direction from the Board to know if this is the direction we should pursue, or what suggestions you may have.

The question was asked if the Canal Company is receptive to this. Financial Chairman answered they would probably be interested; the holdback would be the time constraints on an already busy General Manager. It would cost the Canal Company a little in this regard. It would be important, especially after the discussion we had tonight about the growth, for them to participate in the planning. General Manager Mackley has spoken with the General Manager of the Canal Company a few times, he was wondering what their Board might think. The Canal Company feels they do not typically receive much support in protecting their rights-of-way in development and would probably welcome the opportunity to participate, added Board Member J. Capener.

There is great potential to do this kind of planning through the PL566 funding in which we are already involved with the Canal Company. Without planning, we only have chaos. Financial Chairman Holmgren added there is considerable federal funding that is potentially available that we should see if we can take advantage of.

The question was raised how this would work with the General Plan the County is in the process of updating. Board Member Scott answered that our plan would probably just be incorporated into the County's plan as the 'water side' of the plan. There would obviously need to be some conversation and would certainly be considered. The conversation continued around the fact that the County is not focusing on water use in the county in their plan. It is more a land use plan; water is a component, but it is different. We are trying to find what the relationship should be going forward. The county is opened to referencing our updated Master Plan in future planning and zoning.

General Manager Mackley is asking for support for proceeding with the early stages of doing an updated Master Plan. To identify key components to present to the Board, find funding, and put together a timetable.

There was further discussion on the County Plan and how they cannot control everything. This would be separate plan from the County General Plan, that does not address water. The plans would need to work together. The question was raised how the County can have a plan without a plan for water. It is because they are the Land Use authority. It is something to be discussed so the County knows what the water issues are. The Planning Commission should be aware of the situations, but they are not there to dictate how that water is going to be used or consumed. But if the District has a plan, then the County can be informed.

We are looking for a commitment level from all three of these partners to brainstorm and spend an appropriate amount of time coming up with common procedures that give more direction than there is now and intelligent planning and response to our situations. General Manager Mackley will be looking into funding for the updated plan.

Vice Chairman Forsgren made a motion for the Board to lend support to General Manager Mackley to work together with the Canal Company and the County to develop a cooperative Master Plan Update. The motion was seconded by Board Member Day.

A discussion began with Board Member Scott adding that in the County Plan under the Strategies and Principles section of the plan under Natural Resources contains these statements: That the County will

- 1) Explore water capacities for future generations, and irrigation for agricultural business expansion and
- 2) Explore water conservation and enhanced water quality strategies.

It is in the plan but does not encompass the same proportion of the plan as it would with the Water Conservancy District or a Plan from the Canal Company that is the sole focus of water. Board Member Scott said that Scott Lyons and the Planning Commission would be happy to work together and give input but do not want anyone to think that this was necessarily the place to canvass a master plan. Board Member J. Capener added he has a concern that the County has a Master Plan with this language, but no one has been to the Canal Company to ask for input. The canal is the water source for the county. How do you not have a conversation and yet put that type of a statement in the plan? Board Member Scott answered, the County's plan is a land-use plan and water is only a small component of the plan. General Manager Mackley said that through this process of updating our Master Plan we can provide the county with a more substantive information, instead of a small conceptual part of the county plan. It will give more meat to what the County is trying to do. The County Planning and Zoning would benefit greatly from a Master Plan they can use in addressing the water situation. It is a win-win situation for everyone. At the conclusion of the discussion, All Board Members voted in favor of the motion.

General Manager Mackley reported that we are working with Tremonton City on a new Wheeling Agreement. We are pleased with their responses and appreciate the good working relationship. We have a wheeling agreement built into our Water Supply agreement with Tremonton City that began in 1995, and has had a couple amendments, that allows us to wheel up to 100 acre-feet of water through their system and deliver it to the Fielding, Riverside North Garland area. This agreement ends in 2025 and could be renewed but we are currently discussing the option to wheel up to 250 acre-feet for a period of 3 years with an option to renew for an additional 3 years before the proposed pipeline to that area gets built; if it ever does. It is believed Tremonton City has the capacity to wheel this volume through their system.

Chanshare's request for water was tabled from last month. They need to know sooner than later what we can supply to them. One of the concerns in asking the Board to table the item last month was we did not have enough information from Riverside North Garland and Ukon on their projected water needs. Our current agreement with Chanshare is a land and water use agreement that we want to update to allow 1200 acre-feet on a firmer basis. We have questioned all our wholesale customers of what their needs will be in the next 5 years. We believe we can provide all that water and provide the 1200 acre-feet that Chanshare is requesting for the next 5 years. The current agreement lets us change this amount annually. This is not a good agreement for them because it is on a year-to-year basis. It is not a good agreement for us because they are our biggest user, who incurs expenses and so on, the combined land and water use agreement does not pay the bills very well. The bottom line is they are willing to negotiate a rate that we can both agree on that is more in line with our current wholesale rate for both land and water combined use. They are not just requesting water; they are requesting an updated agreement. A 5 year agreement would still be within the time frame of the current agreement that ends in 2026.

A motion to approve a 5 year/1200 acre-feet agreement with Chanshare as presented, was made by Board Member Howe. The motion was seconded by Board Member Carter. Favorable votes were given by Board Member Scott, Board Member Day, Board Member J. Capener, Vice Chairman Forsgren, Chairman Fridal. Opposing votes were given by Financial Chairman Holmgren and Board Member N. Capener. The motion passed.

BRIC Funding: stands for Building Resilient Infrastructure and Communities. It is Federal Funding under FEMA. General Manager Mackley showed the application to the Board Members. It is a new funding, designed for hazard and natural disaster mitigation which right now we are saying is primarily drought driven. This funding is 75/25 grant if you qualify. The intent is specifically with the water supply that we get from Brigham City or Deweyville, even South Willard right now. If the drought situation gets bad enough that they cut us off because they can only supply their own needs, that leaves us without any water for our customers. By May 31st we had to submit a notice of interest based on this concept. This is through the Utah Division of Emergency Management (DEM). They take in the notices of interest from the whole State, they refine the information then make an application for the Federal funding. In our notice of interest, we described the probable cost of \$8 Million for those sources. Which we would have to come up with \$2 million and they would provide the rest if we were to get the grant. It is a source of funding that is only 2 years old. We are going to test the waters to see if this source of funding could help us do some of these projects. It also fits in nicely with our drought resiliency plan and our master plan. If we were to get funded, we would have a couple of years to come up with the \$2 Million match.

General Manager Mackley is asking the Board for support to follow through with the BRIC funding application. If we do this, there is a requirement that you must have a FEMA approved hazard mitigation plan. That would fall under the BRAG (Bear River Association of Governments) 2020 Pre-Disaster Mitigation Planning. It is a FEMA approved plan that cover Cache, Rich and Box Elder Counties. If the Board gives approval to proceed, we do not have our own plan and we would have to be sponsored by Box Elder County as a party to this BRAG Plan. Board Member Scott said he did not know if Box Elder County could do that where it is a BRAG plan and not specific to Box Elder County. DEM said we only needed to have support from Box Elder County to satisfy the requirement. There was a discussion questioning if the County adopted the BRAG plan. The matter will be investigated further. We have until July 31, 2021 to submit the sub-application, DEM is the primary applicant. We need to know if the Board will be supportive of this and will continue to talk with the County for their support.

Financial Chairman Holmgren made a motion to have the General Manager move forward with applying for BRIC Funding and answer the questions that have been raised regarding if it is Box Elder County or BRAG that need to participate with us on the application. The motion was seconded by Vice Chairman Forsgren. All Board Members voted in favor of the motion.

Trustee Reports

Jeff Scott – Hope the forecasted storms do not only have lightening, that they have a little water with them.

Jay Carter – No report.

Richard Day – No report.

Russ Howe – No report.

Jay Capener – Water is tight. The canal has made allocations to get to the end of the irrigation season. There could be more cut-backs from the Canal Company. Cuts are across the board, no prioritizing. It is up to each shareholder to decide how to make their own cuts.

Neil Capener – No report.

Charles Holmgren – Last week there was a Board of Water Resources meeting. It was the first time we have met in person in a year and a half. A year ago, on June 17th there was $\frac{3}{4}$ of an inch of rain in the rain gauge. We did not realize we were so well off last year. The division of Water Resources should have \$500 million for wastewater, DEQ and drinking water projects, that will be spread out over several years, so the economy is not impacted too hard. The director said it is still under State Legislature review. Acme Water Company said their springs are dropping; typically, June is their highest month, but this year they are dropping. West Corinne sent a letter to their customers asking for conservation.

Dave Forsgren – Troy McNeely with Honeyville reported the springs are down about 250, it has dropped another 10 gpm. The recharge on the well is good, and the static level is about the same it has been.

Roger Fridal – Tremonton is doing like everyone else. The situation is not as good as it has been, but it is not devastating yet. We will keep working at it. The canal company ditch riders were commenting that Tremonton City was using 35 second feet of water in a day. The data confirmed that the largest day was only 1.2 second fee of water. Correct data is important to have.

A motion was made by Financial Chairman Holmgren to adjourn the meeting. The motion was seconded by Board Member Carter. All Board Members voted in favor.

The meeting adjourned at 9:50 PM.