

**Bear River Water Conservancy District
Board Meeting
Wednesday November 17, 2021 6:00 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, Mark Larson, Russ Howe, Neil Capener, Jay Carter, Tyler Vincent

Electronic Access: Jay Capener

Absent: Richard Day, Jeff Scott

Staff: General Manager Carl Mackley, Assistant General Manager Andrew Beecher, Administrative Assistant Jill Jeppsen

Other: Residents of Beaver Dam

Welcome: Chairman Roger Fridal
Invocation: Andrew Beecher
Pledge of Allegiance: Dave Forsgren

Declaration of Conflicts of Interest: None

Adoption of the Agenda –Chairman Roger Fridal

A motion was made by Board Member Larson to approve the agenda with one change, Andrew Beecher is reporting on System Operations in place of Rob Thayne. 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 October 27, 2021

The minutes of the Board Meeting held October 27, 2021 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 27, 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 October 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 Vice Chairman Forsgren to approve the financial statements as presented. The motion was seconded by Board Member Larson. All Board Members voted in favor of the motion.

Jill Jepps presented the Fraud Risk Assessment report to the Board and asked for their approval so it could be uploaded to the State Auditor's office. The report shows we are in the low risk category.

A motion was made by Financial Chairman Holmgren to approve the Fraud Risk Assessment as presented. The motion was seconded by Board Member Larson. All Board Members voted in favor of the motion.

Board Members were reminded of the Open and Public Meetings Training that needs to be completed before the end of the year.

Andrew Beecher – System Operations

South Willard Well

There were numerous unsuccessful attempts to cut the pump column off at the top of the old pump that is stuck. We ran a camera down the well. They didn't find much of note. The plan for now is to perforate the existing column and then we will put a test pump in and test for quantity and quality. We are hoping for around 250 gpm. They are currently working on perforating the column. We don't know how precise they can be with the tool they have. They tried to cut the column in several places and break it off, but there wasn't enough room for the tool to work properly so they were not able to cut it.

There was a short discussion about the work being done on the well. We are going to fill in the bottom portion of the well where the old pump is stuck and this will seal off the existing perforations. They will need to perforate above that to where the new pump will be. About 100 feet of perforations will be added. The plan is to install a new submersible pump. The tube and shaft from the old well have been removed. Petersen Brothers Drilling has given us a bid for a new pump and the work it would take to put it in. The bid includes installing a test pump and operating it. The total cost is \$122,000 which includes \$62,850.00 for work they have already done to this point.

Country Sunset Ranchettes (Mary Lamont)

We have secured the operating permit for the first phase. Richard charged the pipe with water for the second phase and flushed it out. He has done a pressure test on the second phase and that is all good. He has gotten the bac-t samples for phase II and is ready to apply for the operating permit.

Brodie Calder Three Lot Subdivision – Beaver Dam

Because of the geography of the area and how far the homes will be from our main waterline, we had Keller and Associates Engineering do some modeling for us. We have decided after reviewing the modeling that we can install three 1-inch meters for the lots he is developing. They will be connected to three 2-inch water lines going to each lot to provide fire protection inside the homes. The 2-inch line infrastructure past our meters will be the responsibility of the homeowners. We have the parts and will be installing them soon.

We are winterizing sample taps, buildings, the farm water system in Bothwell and other things we are using only in warm weather.

Carl Mackley – General Manager’s Report

Funding

As the Board plans for 2022 and we set a budget at the Budget Hearing during our December Board Meeting, please keep in mind that we have identified some very pressing infrastructure needs totaling over \$5 million for the next three years. There will certainly be more needs that come up, but these are the most pressing. The Board approved me to seek funding for these needs at the September Board Meeting. Projects include \$1.2 million to put the Flat Canyon Well online as a source of water for the Collinston System, \$1.36 million to drill another well in Collinston to provide additional needed supplies, \$680,000 to drill a second well in South Willard and \$1.9 million to drill a production well and construct a 500,000 gallon tank in Harper Ward. I have made applications to Box Elder County and GOPB for ARPA funding, as well as an application to the U.S. Bureau of Reclamation (USBR) for \$2 million in drought resiliency funding. Most of these applications require 50% matching funding. There are no guarantees that we will be successful at receiving any of the funding. Therefore, the Board needs to be prepared to bond for or borrow anywhere from about \$2 million to \$5 million during 2022. This bonding or borrowing will add an estimated debt of about \$117,000 to \$260,000 per year for the next 20 to 30 years, depending on the amount borrowed, the term of the debt and the interest rate.

As an update, I had Andrew Beecher file the application for ARPA funds with Box Elder County. We asked for \$1.28 million as a 50% match for the \$2.56 million needed immediately for the Collinston System projects. I didn’t ask for any more funding than that. I understand there are many needs in the county and water infrastructure is only one of them. I am aware of other public water suppliers in the county who are requesting funding as well. I sincerely hope that the county will come to our aid to help out with replacement sources for the Collinston System. Either way, I think we will be able to get an answer back from both the county and GOPB for ARPA funds that we have requested.

I would like to ask the Board for authority to pursue matching funds or even ultimate financial liability for the two Collinston source projects for the entire amount if we cannot get any funding via a loan or through bonding. I think we can see what happens with the USBR funding application next spring. Some of these authorized projects will happen after 2022, but the projects benefitting the Collinston System must be started in 2022.

We have not heard anything back from the county on that application yet. We should be hearing back from the GOPB application within a week. They were supposed to have a decision made and appropriate funds in the next month. We hired JUB Engineering to write the grant applications. We did the county application ourselves. If we had to bond for funds, it would be through the Division of Water Resources or Division of Drinking Water. We do not have time to wait for funding for the Collinston projects to get the Flat Canyon well online and to drill another well at the tank site.

We have not gotten a well drilling permit; we filled a water right change application a couple of weeks ago. We have already received protests from local residents. As soon as we know anything back from GOPD and ARPA funds the General Manager needs to have authority to file applications for bonds or loans for those projects.

A motion was made by Financial Chairman Holmgren to authorize the General Manager to proceed with procuring the funding either from GOPD and/or Box Elder County for the projects involving Collinston water development, and if those resources fall through, to investigate bonding possibilities for the District. The motion was seconded by Board Member Carter. All Board Members voted in favor of the motion.

General Manager Mackley paused his report upon Trevor Nielson's arrival.

Trevor Nielson, General Manager of the Bear River Canal Company attended to give the Board an update on the progress of the PL566 program.

We are at the end of the preliminary investigation report. The last date for projects to be part of the over-all effort is December 10th. It is looking like the over-all effort is going to be in the neighborhood of \$36 million to \$40 million worth of water projects in the greater area. This is turning into a longer process than we originally thought it would be. We initially thought the environmental process would be 24 months, we were hoping to break ground in 2024. However, the investigations have become longer, especially since it requires an environmental impact statement instead of an environmental assessment. So, it is looking to be a 3 to 5 year process. The canal company's portion of the project will not turn dirt until 2024 or 2025. We had a good meeting yesterday with the participants of the project. There are several duck clubs that are interested, the State refuge and the Federal refuge are interested, Tremonton City and Elwood City, and Highland Ditch Company. Each has a different level of participation. A true flood prevention project is funded at 100% with federal money if it is an agricultural item, which they consider secondary water to be part of in our county. We are moving forward and will be submitting the report before Christmas and hoping to hear back from NRCS by January on a state level and by February on a federal level. Our shareholders meeting will be held the end of February. We are hoping to be able to give an update to the shareholders and the general community then. This does not commit the shareholders of the canal company or any of the participating entities to any financial commitment until the construction phase. It is an exploratory event at this point. The District needs to be the sponsor or a cosponsor on the PL566, because the canal company does not have taxing authority. The canal company will still facilitate the project. We need to have an entity that has taxing authority, even though we do not anticipate needing it. We are telling all participants they need to bring their own match. The other requirement is eminent domain authority; not that we are expecting to use it, but it is a requirement to have.

An update on the Canal Company portion: initially there was talk about a single syphon to bring all 900 second feet of water across to serve the east or Hammond side of the river. After some surveying of the Pacific Corp section, it is suspect if the west side can carry the entire 900 second feet without improvements to the power company's section. The plan that will be submitted involves two syphons. One that would be near the dam that after we take ownership of it will bring the water to the west side. It is less expensive to build two syphons than to line the Hammond side of the valley.

If there are any projects that the District anticipates starting in 2024 or 2025, a single sheet conceptual idea is enough to submit by the December 10th deadline.

General Manager Mackley said the District does not have any projects for consideration under this PL566. The only one that would qualify is a potential flood capturing reservoir in Bothwell on property that the District owns. Even in this dry year there have been two floods there this past year with a significant amount of water that comes off the hillside. Where these projects are 100% fundable, we should at least submit our idea for the project and maybe be able to put that water to use in some way.

General Manager Trevor Nielson added there was a significant weather event in that area, that cut the canal bank and was bringing water into the canal, for about 36 hours we were at maximum capacity. The county does have some flood concerns but they were not able to bring any project ideas to present. Flood control projects will be funded 100%. This is a great opportunity for the District and the Canal Company to obtain funding and to possibly work together on the use of the water that is captured.

It was noted that in July 2020 the Board made a motion to authorize the District to Partner with the Bear River Canal Company on the PL566 funding proposal.

General Manager Mackley asked the Board if they want him to move forward with submitting a project proposal. There was a discussion regarding the option to participate.

A motion was made by Financial Chairman Holmgren to authorize the GM to investigate PL566 money for flood control in the general area of the Bothwell Pocket. The motion was seconded by Board Member N. Capener. All Board Members voted in favor of the motion.

General Manager Mackley continued his report.

Water Source Needs and Water Allotment Policy

For the time being, Bothwell has sufficient water quantity and sources to meet the drinking water needs in the area, although additional infrastructure needs will be required.

There was a discussion on the well levels this year vs. last year in Bothwell. Using only one well at a time this year has helped the situation tremendously. After one of the big water events this summer, the well level went up 1 foot.

The Beaver Dam System, Collinston System, Harper Ward System and to some degree, South Willard System all need additional source development. Good water sources with quality and quantity to meet the needs of the county are getting harder and more expensive to develop. Developing these sources will require good planning and funding as discussed above. As the Board sets and refines policy in an area, I think it will be critical to prolong these new sources developed to set policies, practices and procedures in place that limit the amount of water that new connections receive from District drinking water systems to the reasonable requirements for indoor use only, especially on new developments. Separate sources and systems can be provided to meet outdoor use requirements. I know that is a hard stance to take, but I feel like it is a necessary policy component going forward. Also, I'm wondering if we should start standardizing our impact fee cost and ERC for the entire District and not keep trying to

set a policy for individual areas. The exception if we were to do that, of course, would be that we limited to a given number of connections in each area. I don't know about the legalities of doing this or not, but I will find out. We have received a legal opinion on the impact fee studies. As soon as you set an impact fee and sell several connections right after, you have six years to use those funds. When that money is gone, to some degree this may mean your impact fee study is out of date. It is more standard practice to update these studies more frequently than the District has done in the past. Our Harper Ward still operates under the 1994 Impact Fee Study. In our planning we will need to update our other impact fee studies as part of our planning for new growth, projects are funded through the collection of impact fees. An updated impact fee Study does not have to reflect the previous study. You are not beholden to a previous impact fee study.

New Attorney Needed for District

Speaking of needing a legal opinion, as of last month, our attorney Wendy Crowther left employment with Parsons Behle & Latimer and now works for the Attorney General's Office. As such, she can no longer represent us. That means that we need to find new legal representation. We could stick with the same office or we can shop around to find who we think will best represent the District. According to our procurement policy, we need to at minimum get qualifications from at least three different professional offices and as long as we stay under \$100,000 a year, we can choose which ever one we want to. We could also go through an R.F.P. process, but I don't think that gets us any better information than just doing an R.F.Q. Meanwhile, I am seeking some legal opinions and representation on some contract issues and impact fee questions from the legal firm of Smith Hartvigsen.

A motion was made by Board Member Carter to proceed with an RFQ for a legal firm to represent the District. The motion was seconded by Board Member N. Capener. All Board Members voted in favor of the motion.

Collinston System

As has already been identified, the Collinston System is in need of an additional source of water beyond what the Flat Canyon Well can provide. To that end, I filed a change application to change the point of diversion of 500 acre-feet of previously approved water rights that we have for groundwater from Pine Canyon and Flat Canyon in Deweyville, to a site behind our South Tank in Collinston where we already own property. The application was filed on October 29, 2021 and is being advertised in the Tremonton Leader until November 17. There will be a 20-day protest period following the advertisement period. The protest period ends on December 7.

I am having Lance Nielsen and some others help the District with a small hydrogeologic study to determine what the anticipated source capacity of the well might be and how the proposed well might affect other water rights in the area. Of course, the best way to determine these parameters is to drill the well as a production well under a "test well" authorization and to see what the well produces and how adjacent water sources respond to pumping from the well. This has all been described to the Board previously, however, outside funds via application funding or a loan, or the combination thereof need to

be in place before the well can be drilled. A decision on the application may or may not depend on the well being drilled first as a test well.

There was a discussion on whether to drill a test well, or to drill the test well as a production well and the pros and cons of each.

Beaver Dam

Rather than try to influence the Board on any decision at this stage tonight I am providing the Board with information that you can consider going forward.

The last month or so has been a flurry of details, emotions and opinions with regard to the District coming up with a policy for Beaver Dam retail connections. From June through September, I came up with the details of an updated Impact Fee Study, the highlights of which the Board accepted in the September Board Meeting. A Public Meeting was then held on October 27, 2021 to discuss the results of the updated Impact Fee Study. Many residents of Beaver Dam were in attendance and they were in general, not very happy about the updated plan proposal. They had a lot of concerns which they have expressed at the meeting, in subsequent emails and various in-person discussions. The Board knows by now what the concerns are that they have and those don't need to be reiterated here.

Many members of the Board were able to take a tour of the Beaver Dam System through Early Park, Sleepy Hollow, the Lower Beaver Dam Springs and all of the major infrastructure that the District owns and operates. A few of the most vocal Beaver Dam Residents have also taken this tour. It has been very useful to help all of us get an understanding of the water sources and how inter-related the springs and stream are.

I think if the Board is to adopt a policy for Beaver Dam, it must address several simultaneous concerns and aspects. It will need to a compromise between taking care of existing customers' needs as well as providing for some reasonable future needs. It will need to account for limitations of existing springs and infrastructure and the entire drainage system. It is clear to me that the Board needs to adopt a rigid policy for Beaver Dam. That is the only acceptable ending of the process that we have begun. We need to set an ERC value, an impact fee amount, a number of residential connections that we will sell and account for current and future customers in a responsible way. I also think that we should save some of our water right that we can be flexible with to help out in emergency situations, wholesale situations in years of water availability, or to help augment the streamflow of Willow Creek. In order to help the Board know what policy to set for Beaver Dam, I have some scenarios that I will offer that the Board can consider.

	BEAVER DAM SYSTEM CUSTOMER USAGE BY YEAR												Annual	# of
	January	February	March	April	May	June	July	August	September	October	November	December	Annual	(AF) Customers AF/Customer
2012								508,000	577,000	167,000	177,000	202,000	1,631,000	5.01
2013	203,000	207,000	193,000	186,000	361,000	486,000	628,000	570,000	218,000	190,000	201,000	235,000	3,678,000	11.29
2014	219,000	188,000	307,000	302,000	292,000	417,000	583,000	325,000	221,000	201,000	197,000	194,000	3,446,000	10.58
2015	228,000	188,000	231,000	230,000	236,000	504,000	658,000	474,000	324,000	186,000	160,000	272,000	3,691,000	11.33
2016	229,000	185,000	176,000	204,000	261,000	653,000	780,000	681,000	364,000	234,000	290,000	240,000	4,297,000	13.19
2017	205,000	190,000	186,000	144,000	221,000	590,000	651,000	603,000	311,000	160,000	156,000	157,000	3,574,000	10.97
2018	165,000	154,000	229,000	188,000	443,000	551,000	719,000	827,000	488,000	170,000	153,000	184,000	4,271,000	13.11
2019	174,000	167,000	249,000	179,000	162,000	350,000	659,000	754,000	273,000	152,000	152,000	178,000	3,449,000	10.58
2020	259,000	387,000	243,000	235,000	362,000	407,000	563,000	621,000	386,000	250,000	195,000	189,000	4,097,000	12.57
2021	147,000	153,000	157,000	233,000	370,000	665,000	585,000	304,000	288,000	191,000	215,000	215,000	3,523,000	10.81
Average:	203,222	202,111	219,000	211,222	300,889	513,667	647,333	566,700	345,000	190,100	189,600	206,600	3,565,700	10.94
Average Per Customer:	8352	8306	9000	8680	12365	21110	26603	23289	14178	7812	7792	8490	155,977	0.479

Table 1: Historic Beaver Dam System Use by Year

Table 1 above shows what the customer usage has been for the Beaver Dam System since the District began to operate the upgraded system. As I have said all along, the average use has been about 0.48 acre-feet (AF) per year per customer. Some years, use has been a little higher and some years, a little lower, but that is the average. For comparison, there are 28 meters of the 32 meters in the ground that have some use associated with them either this year or in past years as well. For these 28 connections, Table 2 below represents the year of highest water use seen by that meter. I have ranked the highest water use by connection from lowest to highest as a measure of the potential for water use by the existing customers, as well as future customers. The spread is very large, which is pretty normal. The range is from 0.172 AF to 2.492 AF, with an average of 0.742 AF per year.

This highest year use average is on par with our other water systems. However, the usage pattern in Beaver Dam, which can be seen in graphs of various of the scenarios show below, appears to be more pointed than the use pattern that is more typical of the District's other water systems. The Beaver Dam Pattern of use actually shows a very high peak during July and less usage in June, August, etc. as other systems. The effect of this peak is that it means that less additional connections can be made and July is the peak use month with supply being limited to what springs can produce in July. I don't have a really good idea as to why the use patterns are so different. I also can't be sure that the Beaver Dam Use Pattern trend will continue with new or recent connections sold, as it has with the existing customers.

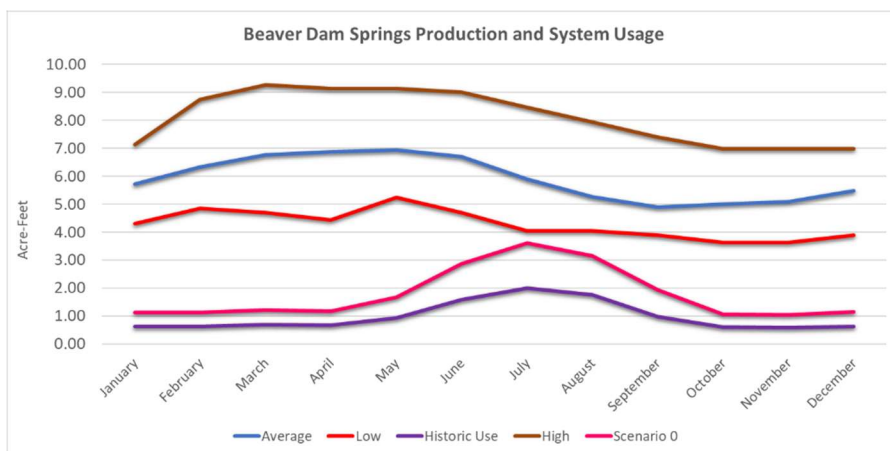
Highest Year Retail Water Usage Summary by Customer																	
Beaver Dam																	
	Cust #	Year	January	February	March	April	May	June	July	August	September	October	November	December	Total	Acre-Feet	
1	4087.01	2020	2,000	4,000	15,000	4,000	8,000	5,000	3,000	2,000	4,000	3,000	2,000	56,000	0.172		
2	1035	2021	3,000	2,000	2,000	2,000	8,000	15,000	5,000	4,000	4,000	5,000	4,000	58,000	0.178		
3	4019.02	2020	6,000	5,000	6,000	7,000	6,000	7,000	3,000	4,000	4,000	4,000	3,000	5,000	60,000	0.184	
4	4032.01	2018	26,000	0	5,000	4,000	5,000	4,000	4,000	4,000	3,000	5,000	4,000	4,000	68,000	0.209	
5	4035.02	2016	0	0	0	0	0	0	33,000	27,000	9,000	1,000	0	0	70,000	0.215	
6	4034.01	2019	8,000	5,000	7,000	7,000	17,000	8,000	7,000	6,000	6,000	7,000	6,000	7,000	91,000	0.279	
7	4088.01	2013	4,000	6,000	4,000	9,000	19,000	16,000	17,000	18,000	6,000	8,000	8,000	8,000	122,000	0.374	
8	4022.01	2017	4,000	4,000	6,000	4,000	10,000	18,000	28,000	15,000	8,000	4,000	25,000	3,000	129,000	0.396	
9	4063.02	2021	6,000	5,000	5,000	6,000	14,000	25,000	23,000	14,000	12,000	9,000	8,000	8,000	135,000	0.414	
10	1052	2021	3,000	3,000	2,000	5,000	14,000	21,000	33,000	25,000	10,000	10,000	5,000	5,000	136,000	0.417	
11	1022	2018	2,000	2,000	2,000	1,000	4,000	17,000	55,000	37,000	13,000	2,000	1,000	2,000	138,000	0.424	
12	4082.02	2013	6,000	4,000	16,000	9,000	25,000	43,000	19,000	9,000	23,000	0	0	0	154,000	0.473	
13	4055.01	2017	3,000	3,000	4,000	5,000	16,000	48,000	41,000	37,000	15,000	5,000	4,000	4,000	185,000	0.568	
14	4071.01	2015	3,000	2,000	5,000	6,000	4,000	32,000	47,000	51,000	24,000	7,000	3,000	4,000	188,000	0.577	
15	4061.01	2021	4,000	4,000	4,000	4,000	35,000	3,000	141,000	4,000	3,000	3,000	4,000	4,000	213,000	0.654	
16	4052.01	2013	19,000	32,000	33,000	0	74,000	21,000	13,000	12,000	3,000	10,000	12,000	10,000	239,000	0.733	
17	4074.01	2017	1,000	1,000	0	2,000	2,000	87,000	65,000	79,000	1,000	1,000	2,000	6,000	247,000	0.758	
18	4017.02	2018	21,000	38,000	51,000	33,000	5,000	4,000	13,000	6,000	6,000	42,000	24,000	19,000	292,000	0.804	
19	4030.01	2020	14,000	11,000	12,000	13,000	26,000	29,000	47,000	46,000	42,000	22,000	14,000	15,000	291,000	0.893	
20	4028.02	2019	7,000	7,000	8,000	8,000	11,000	28,000	85,000	90,000	48,000	6,000	5,000	3,000	306,000	0.939	
21	4014.01	2020	5,000	7,000	8,000	8,000	34,000	29,000	69,000	100,000	35,000	9,000	11,000	2,000	317,000	0.973	
22	4058.01	2017	12,000	10,000	13,000	13,000	36,000	70,000	87,000	39,000	13,000	11,000	10,000	9,000	323,000	0.991	
23	4057.01	2018	7,000	7,000	8,000	16,000	50,000	58,000	86,000	95,000	29,000	10,000	8,000	8,000	382,000	1.172	
24	4086.01	2016	40,000	31,000	22,000	19,000	9,000	11,000	15,000	81,000	43,000	40,000	40,000	42,000	393,000	1.206	
25	4011.01	2015	41,000	35,000	38,000	36,000	41,000	36,000	32,000	37,000	23,000	16,000	19,000	45,000	399,000	1.224	
26	4033.01	2018	2,000	1,000	2,000	1,000	0	1,000	9,000	215,000	186,000	5,000	2,000	2,000	426,000	1.307	
27	4049.01	2016	24,000	25,000	32,000	39,000	44,000	49,000	80,000	67,000	60,000	58,000	56,000	39,000	573,000	1.758	
28	4078.01	2013	40,000	50,000	47,000	45,000	85,000	99,000	128,000	128,000	42,000	55,000	48,000	45,000	812,000	2.492	
Averages:			2018	11,179	10,857	12,750	10,929	21,357	28,107	42,500	44,750	24,036	12,821	11,750	10,857	241,893	0.742

Table 2: Highest Year of Usage of Beaver Dam System by Connection

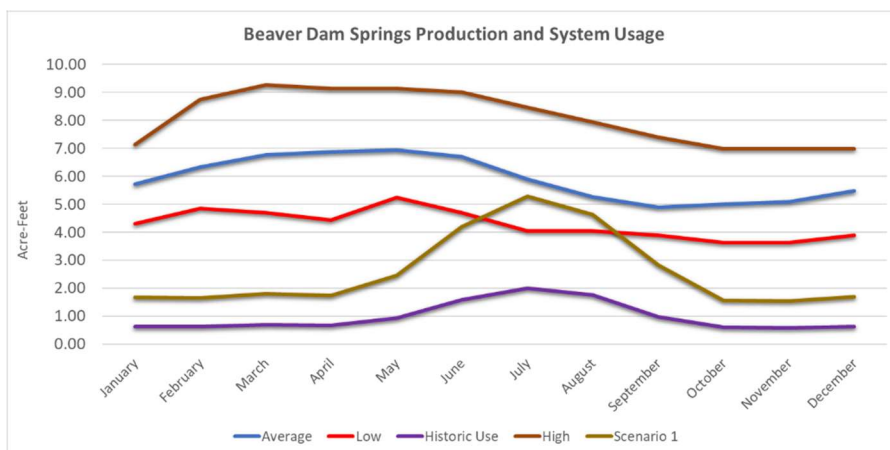
Below is a description of the various scenarios that the Board can consider adopting for policy in Beaver Dam. I will not evaluate at this time the cost of an updated impact fee amount, but we will describe what the ERC value is, how many connections to associate with that value, the use pattern associated with that scenario, and the annual acre-foot amount.

Scenario 0 is shown below, along with the average historic use represented by Table 1, as well as the highest, average and lowest combined springflow measurements for the Beaver Dam System

by month. Scenario 0 represents a projection of 42.25 existing (sold) connections at an ERC value of about 0.485 AF = 20.49 AF per year and uses a Beaver Dam Use Pattern. This scenario assumes that average future use will equal average past historic use. There appears to be plenty of springflow available for this scenario. Should the Board approve this scenario, there will be an income deficit of at least \$45,000 to the Beaver Dam System, which will not be accounted for.

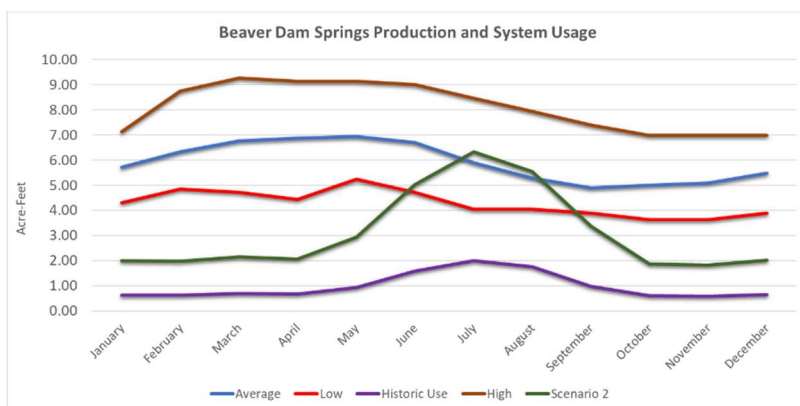


Scenario 1 (shown below) assumes an ERC of 0.712 AF/year per connection, which is the value assumed in 2012. The use pattern assumed is the Beaver Dam Use Pattern. It assumes selling no new connections (remains at 42.25). If this value is assumed for future average use, there will be some years where the springflow cannot keep up with demands in July and August, but on average, the springs will keep up. A total of 30.08 AF/year would be used by the system under this scenario. If this scenario is chosen, there will still be an income deficit of over \$45,000 to the system.

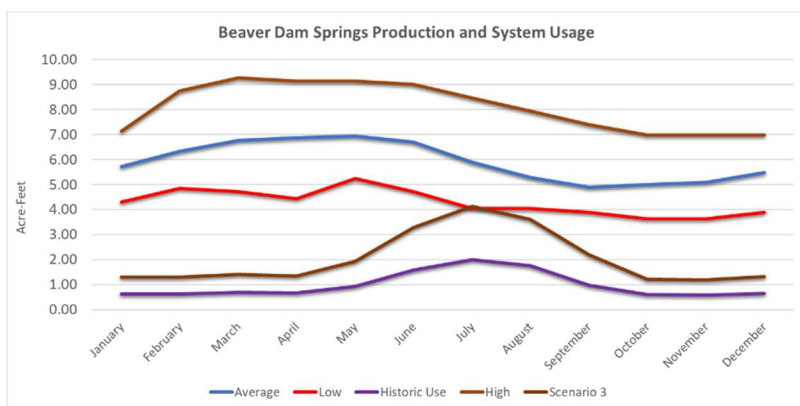


Scenario 2 (shown below) is the scenario adopted in 2012. It assumes an ERC value of 0.712 AF/year per connection and assumes selling 52 connections. The use pattern assumed is the Beaver Dam Use Pattern. If this value is assumed for future average use, then the springflow will

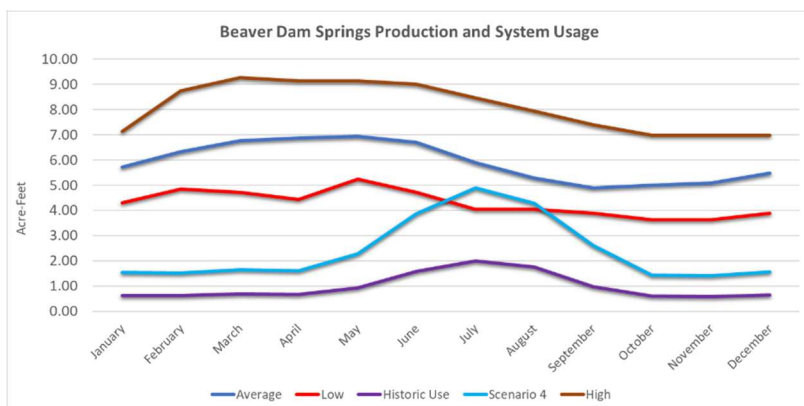
only be able to keep up with demands in July and August in above average years. If this scenario is chosen, there will still be no income deficit to the system. A total of 37.02 AF/year would be used by the system under this scenario, which is approximately the entire water right.



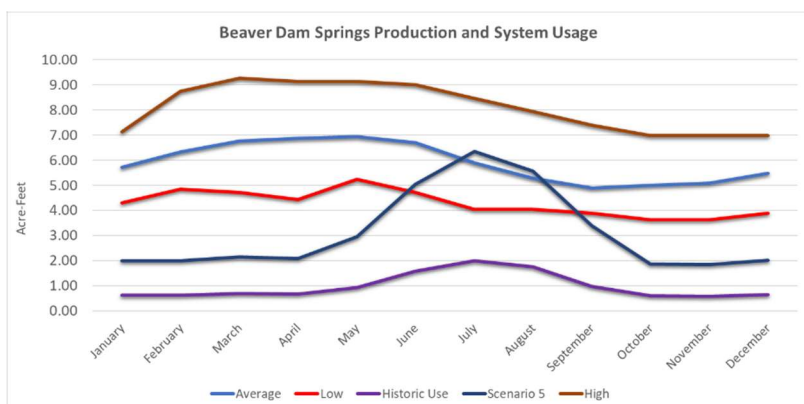
Scenario 3 (shown below) is similar to Scenario 0. It assumes 42.25 connections but assumes a value of 0.572 AF/year per connection, the value that I recommended to the Board and which was adopted in September. The use pattern assumed is the Beaver Dam Use Pattern. A total of 24.17 AF/year would be used by the system under this scenario. Springs would always be able to keep up with demand under this scenario, however, the \$45,000+ system deficit would persist here as well.



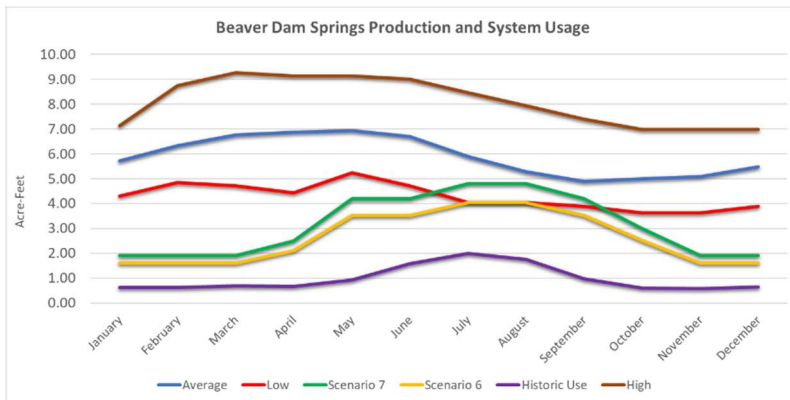
Scenario 4 is shown below. It assumes 50 connections at a value of 0.572 AF/year per connection. A total of 28.6 AF/year would be used by the system under this scenario. The use pattern assumed is the Beaver Dam Use Pattern. Under this scenario, springs sometimes might not be able to keep up with demand in July and August on the lowest water years. If this scenario was selected, the impact fee amount would need to be set at about \$5870 in order to not have a system income deficit.



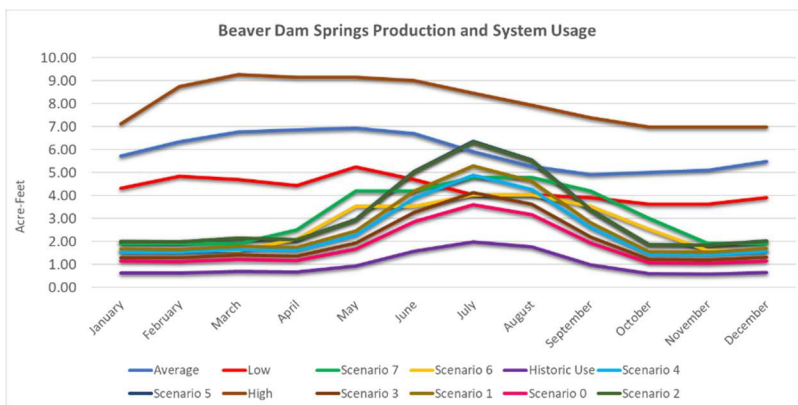
Scenario 5 (below) is the same exact volume and use pattern (Beaver Dam) as Scenario 2. However, this scenario assumes an ERC value of 0.744, which is approximately the value of the average Beaver Dam Customer's highest historic use. 50 connections are assumed here. The use pattern assumed is the Beaver Dam Use Pattern. If this value is assumed for future average use, then the springflow will only be able to keep up with demands in July and August in above average years. Total use would be just over 37 AF/year. If selected, the impact fee amount would have to be set to \$5870/connection here as well.



Scenarios 6 and 7 are shown below. They differ from the other scenarios in that their use pattern is more typical of other areas. Both scenarios assume an ERC value of 0.572 AF/year per customer. Scenario 6 assumes 54.6 connections sold, 31.23 AF/year and an impact fee of \$3840 going forward. Springflow under Scenario 6 should always be able to provide for the demands. Scenario 7 assumes 65 connections sold, 37.2 AF/year and an impact fee of \$2000 going forward. Springflow under Scenario 7 may not always be able to provide for the demands in July and August of the driest years.



All of the scenarios are shown together in the spaghetti graph below. Should the Board choose to adopt a scenario other than 2, 5, or 7, there will potentially be water right leftover that the District may be able to provide for emergency uses or for short-term or seasonal wholesale use, which would be a great option to have.



2021 Amended Budget

General Manager Mackley presented the Proposed Amended 2021 Budget to the Board Members. The main differences are the capital projects that we have been working on this year. There was a discussion regarding the capital projects budget and funding.

A motion was made by Board Member Tyler Vincent to approve the Amended 2021 Budget as presented. The motion was seconded by Board Member Larson. All Board Members voted in favor of the motion.

2022 Tentative Budget

General Manager Mackley presented the Proposed 2022 Budget to the Board Members. He walked through the changes proposed for 2022 with the Board Members. One major change is the Social Security Cost of Living Adjustment (COLA) that we usually follow for employees. Last year the

increase was 1.5 % and for 2022 will be 5.9%, the proposed budget includes a 6% COLA increase for the District employees.

A motion was made by Vice Chairman Forsgren to approve the 2022 Tentative Budget as presented. The motion was seconded by Board Member Larson. All Board Members voted in favor of the motion.

Beaver Dam Impact Fee Study

This item was not discussed any further due to receiving a letter from an attorney representing a Beaver Dam resident.

Trustee Reports

Jay Carter – It is getting dry; we haven't had any rain for a while.

Russ Howe – Things are good in Thatcher

Mark Larson – No report

Neil Capener – Talked about having too much rain and is unable to put away his hay

Tyler Vincent – Things are busy in Brigham. Brigham is doing well on water supply this year.

Charles Holmgren – West Corinne put in an 8" service line to the subdivision being built next to me. There is also a new 20 lot subdivision across the street from the farm. Wondering if fence in/fence out rules apply to kids on 4 wheelers and motorcycles. It is interesting how and where the growth is happening in the county.

Dave Forsgren – No report

Roger Fridal – Tremonton is doing fine.

A motion was made by Board Member N. Capener to adjourn the meeting. The motion was seconded by Board Member Carter.

The meeting adjourned at 8:20 PM.