

**Bear River Water Conservancy District
Board Meeting
Wednesday May 25, 2022 7:00 p.m.
Bear River Water Conservancy District Conference Room
102 West Forest Street, Brigham City, Utah**

Minutes

Trustees Present: Roger Fridal, David Forsgren, Neil Capener, Richard Day, Dennis Bott, Jay Capener, Jay Carter, Joe Summers, Jeff Scott, Mark Larson

Absent:

Staff: General Manager Carl Mackley, Systems Operations Manager Rob Thayne, Administrative Assistant Jill Jeppsen

Other: Trevor Nielson, Bear River Canal Company
Visitors as on the attendance list

Chairman Roger Fridal: Welcome
Invocation: Mark Larson
Pledge of Allegiance: Dave Forsgren
Declaration of Conflicts of Interest: None

Adoption of the Agenda

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

Approval of the Minutes for the Board Meeting held April 27, 2022

The minutes of the Board Meeting held April 27, 2022 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 April 27, 2022. The motion was seconded by Board Member Bott. All Board Members voted in favor of the motion.

Financial Chairman Charles Holmgren – Financial Business, Approval of Financial Statements

The financial statements for April 2022 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 Board Member Carter to approve the April 2022 financial statements as presented. The motion was seconded by Board Member Scott. All Board Members voted in favor of the motion.

Public Comment Period – no public comments

Rob Thayne – System Operations

South Willard – we are to the point of getting a pump in the well. We are going to drop down just past the 6-inch pipe and put the motor in the 10-inch column. It is not uncommon to have iron bacteria in the water and this will be an ongoing issue that we will have to work with. The pump will be at about 420 feet and should be able to pump 200 gallons per minute, which is the volume we had before we stopped pumping. We will treat the iron bacteria with chlorine and another agent that enhances the chlorine affect. We will then come up with a routine to keep the well pumping more frequently to keep the water moving through the system. We will have to flush fire hydrants more often. There should be development in the area soon. The developers are working on getting the sewer connection to their properties. We are grateful to be able to purchase water from South Willard Water Company.

Tremonton Booster Station – The booster station was originally designed to deliver water to Riverside North Garland and Ukon water systems. Because of high system pressures in Ukon Water Company's system, we cannot provide them with water without boosting the pressure. We are redesigning the booster station for use with a new pump to be able to deliver the water to Ukon from the bottom of their system, rather than from the top, or Collinston. We have one bid and are working on getting a couple more.

We have been working on the Beaver Dam walkway at Earley park. It is about half way completed.

There is a fire hydrant in Harper Ward that was damaged in an accident. We have been trying to get it replaced and now UDOT has implemented new rules for traffic control while working on the highway and this is causing further delays.

The dyers woad is terrible at the south tank in Collinston, so the goats have been moved to this location.

Robbie told the board members that he has set his retirement date for June 24th. He expressed his appreciation for the job and stated that he really has enjoyed the work he has done while employed by the District. The board members expressed many thanks and appreciation to him for the work he has done. Board member Summers stated he didn't think Robbie could retire because the board had not voted on the issue.

Carl Mackley – General Manager's Report

Project Funding – on Friday May 13th, the Bureau of Reclamation signed their agreement with the District to commit the \$2 million towards three of our four drought resiliency projects. The Box Elder County ARPA funds have been transferred to our account. I was contacted by the Drinking Water Board regarding the State Revolving Fund application that we filed. They will meet on June 7th to review the requests. We requested \$2.4 million from them, they looked at our numbers and had concerns that we did not have enough contingency built

into our costs. They have seen several people come back and request additional money because bids are coming in higher than anticipated. I let them know some of our numbers had a contingency of 15% built in, but at their recommendation we added \$400,000 taking the application to \$2.8 million. We can reduce that amount if we don't need it. The board will have to approve and adopt the amount after the State's approval.

Bothwell Water System Considerations - The Drought Resiliency Plan that we completed and adopted last year identified certain drought mitigation actions that were recommended for each region. The number one scoring recommendation was for a 1-million-gallon water tank, an additional well and new and upsized pipelines for our Bothwell System. This was the number one scoring project because it stood to benefit so many public water suppliers in the area, and this is our largest water system. The opinion of probable cost for this project was \$10.4 million, we did not have things in place to act on this project at this time. The concept is to convert the water used at the Chanshare Sod Farm to culinary use and to provide adequate infrastructure for the project to deliver over 1300 acre-feet of water to public water suppliers and developments on the west side of the Bear River Valley. Transitioning the water that is used by the Farm to culinary use will require some significant infrastructure updates. We currently have a 10-inch pipeline that goes from the wells up to the tank and back, then in the system until the first Tremonton connection then it increases to 12-inch. Our connection to West Corinne Water Company is an 8-inch line. We currently supply Tremonton City and via our wheeling agreement we supply Ukon and Riverside North Garland. We also supply Thatcher/Penrose, Bothwell, and West Corinne plus our own residential connections. I have on-going meetings with these public water suppliers. Some of them are in limbo as to selling new connections. We are getting calls from developers that want to do developments that are on waiting lists for other public water suppliers that we supply, and for whatever reason they are not providing connections to those developers. The developers are tired of waiting, so they are asking us for water.

I had a good meeting with Tremonton City. We are looking at updating our wheeling agreement with them. Currently we are limited to 100 acre-feet per year. There is a 3-mile gap between our line and the booster station, which we wheel water through. A portion of Tremonton's line there is 18-inch, then a portion of 12-inch and a portion of 10-inch. Part of infrastructure updates would include putting in our own 3-mile pipeline along that same corridor or potentially running it around Point Lookout and coming down to a property that Ukon has where a water tank could be placed. There are several scenarios in our Master Plan. The conversation with Tremonton included us participating with them in upsizing a portion of their water line. They are in favor of this rather than us putting in our own line. They are willing to update the wheeling agreement for 5 to 10 years and increasing the amount from 100 acre-feet to 250 acre-feet, which could supply additional water to Ukon and Riverside North Garland.

We may see some of these developers come to our meetings and talk to the Board about supplying water to them. The question was asked if the developers are applying for their own wells. We have not seen this yet, but it is an option. Another option would be for them to pay for the pipeline to supply them from our existing water line to their development. It might be worth it to us due to the number of homes in the developments. We are limited by our 10-

inch line to how many connections we could add. We have a lot of projects we are doing with the funding we have received. After those projects are completed, we will be focusing on the Bothwell system.

Employee Changes – Robbie is retiring on June 24th. Andrew has left his employment here and has taken a job with the Church of Jesus Christ of Latter-day Saints. His last day was May 20th. He will oversee 577 water systems that the Church owns in the US and Canada. He will be missed. Jill is planning to retire in January. I have confidence in Richard and Kylee. They will have an opportunity to step up and try to fill Robbie's shoes.

I am trying to find the right recipe of 'employee' ingredients to accomplish the work we do here. It may be time to hire a project/staff engineer. The design for large projects would still need to be subbed out to engineering firms. This would take some of the place of Andrew and the engineering that I have been doing. We will be replacing 2 employees with one employee if the board approves it. It is not too long ago that we had only 5 employees. According to other engineers I have talked to, finding someone with a medium level of experience will be the hardest type of engineer to find. We have looked at the budget and going from 6 employees to 5 including benefits and we could be \$50,000 ahead. We want to entice the right person to be here, and we want to make it worth their while.

There was a discussion regarding the current employees and what the needs of the District are. It was decided that we need to describe the job appropriately and get it posted. It was noted that the unemployment rate in the county is very low. People that are looking for jobs are not unemployed; they are underemployed.

Drought Response Water Rates – The Drought Response Plan was put in place last year for a one-year period. It will end in June unless there is any further action. There was a 24% reduction in use from the previous year. It is amazing! Some of the reduction was because we limited Chanshare's water usage. The biggest portion of savings come from the wholesale water users. We exempted them from the take-or-pay contracts for last year if they would provide information to us on the drought response plans they put in place to encourage conservation from their retail customers. We didn't want the wholesale customers to feel pressured to use more water than they needed just because they were paying for it. We did lose a little revenue, but we saved a lot of water. Our retail customers paid more due to the plan. We increased the monthly allowances and asked them to reduce their usage. The District is a part of the Slow-the-Flow Campaign Committee that communicates with the Division of Water Resources and other public water suppliers in the state. We need to find a way to be better at educating people on conservation. The large districts have staff members dedicated to only this task. We do send conservation messages to our customers with their bills. We need to possibly find a way to give a credit if they can show a reduction in water use. There was a discussion by the board members and it was thought if they are using less water, they are paying less and that would already be their credit. The discussion continued talking about rates from other water suppliers in the county. Brigham City is currently having a rate study done. It was pointed out that drought response and using less water does not make the cost of maintaining your water system any less, nor does it prolong the life of the system. Trevor Neilson added that he is a member of the Utah Water Taskforce, and everyone is

dealing with the dilemma of the cost of conservation. It may cost the average citizen more to use less water, but it does provide for the future.

General Manager Mackley said his recommendation to the board would be to not perpetuate the Drought Response Plan after June. We do want to find some longer-term ideas, like giving people a credit on their bill if they show a reduction in use and look at updating our rates. We recently updated our Harper Ward rates. The Harper Ward System has the most comparable tiered rates to other water suppliers around the state. The rate structures for our other systems are not on that level. Because of the Drought Response Rates, we did help several customers find leaks on their lines. We also read meters weekly so they could see their use. This was an effective part of the plan.

The question was asked; when was the last time we did a rate study on our other systems? For the projects we are embarking on we have an impact fee study update built in, it would not take much to include a retail rate study too. The Board suggested that we do the study now and have a unified rate for all systems. This comes back to the conversation that was held at the last board meeting when discussing a common impact fee; if we are going to do that, we should have a common water rate.

Board Member Scott made a motion to put out an RFP for a rate study on the entire system. The motion was seconded by Board Member Bott. All Board Members voted in favor of the motion.

Strain on Culinary/Secondary Options – There is a lot going on in the county; growth is challenging with water. There are questions about using different water sources for indoor vs. outdoor. It would be appropriate as a Board to put together a list of recommendations that we would approach the County Planning & Zoning with based on growth. The District is the water planning branch of the county, and we would like to recommend certain things be done. This could also be shared with the other public water suppliers, particularly those that serve the unincorporated areas of the county.

Board Member Scott added that he received a call from the President of the Board of Realtors. They want to set up a working group with the county, developers, the regional water companies, and talk about what the needs are and how we can all work together. General Manager Mackley has also been contacted. The time is right for this type of discussion. Board Member Bott said he was in favor of this type of meeting, outside of a regular board meeting. It was suggested that we have a committee of board members to attend. Board member Scott will follow up on the call and provide information on what they are wanting. There was further discussion on using the canal company for secondary water, water easements and rights of way for water. We will follow up at the next meeting.

General Manager Mackley continued his report. Most water use evaluations, including our own, show that for water systems that provide culinary water for outdoor use as well as indoor use, the outdoor use makes up approximately 60% of the annual water system use and indoor use makes up approximately 40%. In some systems, like our Collinston, Harper Ward or Bothwell Retail Systems, we allow one acre-foot per connection per year, with about 1/3 of that amount being dedicated to indoor use and about 2/3 of that to be dedicated to outdoor use. In other words, a water system must be designed to handle 1.5 to 2 times the amount of

water when the culinary system provides outdoor irrigation water. This leads to oversized and overpriced systems and quickly diminishes culinary water supply in the summertime.

Going forward, we must insist on secondary water being provided separately from the culinary water in locations where a secondary water source is available. In conditions where a secondary source of water isn't readily available, including areas within the District's existing water systems, some acceptable alternative needs to be created. I don't know what that should be right now. Perhaps planning and zoning requirements will need to be created and agreed upon between Box Elder County and the public water suppliers providing water within the unincorporated areas of the county. Alternatively, if there is already water of any kind (shares, or privately held water rights) on a petitioner's property, that water should be either dedicated to the public water supplier for use as a secondary source, or the petitioner should be required to create a legal entity with authority to own and operate a secondary water system. The developers or water petitioners need to pay for the secondary water system. We need to be prepared to own and operate them if necessary.

County Development & Water Policy – with Trevor Nielson, BRCC

The most populated area of the county is the Bear River Valley. The majority of this valley, north of Brigham City has a single groundwater appropriation policy that allows up to an additional 10,000 acre-feet (AF) per year of groundwater withdrawals. As of today, 1775 AF has been approved already. In addition, the District still has 2500 AF that we have filed for in various parts of the valley to be used for culinary water development. There has not been a decision for that 2500 acre-feet yet. If that were to be approved, 4275 AF or about 43% of the amount allowed for in the 2018 policy will have been approved for use already. That is a very small amount of water that can be developed in the valley to accommodate growth! In addition, many of the other areas to the south of Brigham City, including Mantua, Perry, Willard, South Willard, etc. are all closed to new appropriations.

The Division of Water Rights requires 1.45 acre-feet of water to be filed for a well for a single-family home in Box Elder County for the indoor domestic use of the home, plus $\frac{1}{4}$ acre irrigation. This assumes that the residents will use 0.45 AF indoors and 1.0 AF outdoor (4 AF/acre). Using these estimates, an equivalent of about 6897 additional homes would be allowed under the policy.

From the data that we have for our water systems in the district, we currently use less than one acre-foot per connection. We average 0.30 acre-feet per year for indoor use and about 0.35 acre-feet or more of water for outdoor use. Nearly all of the public water suppliers in the county use similar amounts of water for a retail connection and all of them use less than one acre-foot per connection. Comparing the amount of water used by public water suppliers in the county per connection versus the amount of water allowed by water right appropriation for individual wells, it is clear that public water systems with municipal rights require less water per connection than private wells.

There are applications being filed in the county for multiple single family well subdivisions within a public water supplier's service area. For whatever reason the public water supplier is not supplying that water. They are overestimating the amount of water that is needed for a single-family home, so the 10,000 acre-feet of water is being exhausted.

In the example above, if 6897 individual well applications were filed for and approved, the entire 10,000 acre-feet would be allocated. However, if public water suppliers were able to file on and develop the water, such that an average of only 0.35 acre-feet per year per connection is used, then 28,571 retail connections could be supplied by the aquifer. This is more than four times the number of connections that could be approved by using the resource more wisely! That should mean that this resource would take four times longer to develop by having public water suppliers develop the water than by having developers or individual property owners file their own applications for the water.

If this is happening in the canal companies service area, why aren't the water shares staying with the property to be developed and used as secondary water? In some cases, they are. The Bear River Canal Company irrigates 65,000 acres. In years when there is a full allocation, this equals 260,000 acre-feet. This is a 26:1 ratio of surface water to ground water. The 10,000 acre-feet of ground water is precious, With the development that is happening we have to be smart. There is no way to have these conversations without including the canal company in this part of the county.

Trevor Nielson said the position of the Bear River Canal Company (BRCC) is they do not support growth and want the county to remain the rural area that it is, but this is not reality, and we understand that. We are looking for ways to support responsible development. The canal company attended a water right hearing earlier today. A map was shown of a proposed subdivision in the Riverside/West Fielding area where the developers applied for 18 wells for 18 homes. Single domestic wells are allowed under Utah water law, but this seems like a blatant abuse of the policy. These wells are near BRCC's West Canal, which is one of the largest in the state. These 18 wells will go dry when BRCC lines that canal. The proposed depth of these wells is up to 500 feet but they are likely to be pulling water that is recharged by the canal [if the wells are shallow]. Trevor explained how the water recharges the shallow aquifer when the canal system is first turned on at the beginning of the season. Mr. Nielson and General Manager Mackley have had discussions about what will happen when the wells go dry, and the District is expected to produce the missing water. The answer is there needs to be more planning. They have talked with staff members at the county, and they are also seeing this as a viable issue. All four of the County Commission candidates agree that the top issue in the county is responsible growth.

Another issue of concern to BRCC is another subdivision in the Fielding area. The developer sold the lots with canal company shares. On this property, the ditch is piped, but there is only one valve in the northwest corner of the development. The developer did not put any trunk lines into the rest of the subdivision. There are now shareholders that do not have the ability to physically receive their water. The issue is no one realizes there is a problem until they come to the canal company and ask how they get their water. It didn't happen at the sale. It didn't happen at the permitting stage. It didn't happen when the shares were transferred. It happened when they actually wanted to use the water. I have talked with the County Planning and Zoning staff, and they would like to meet with the managers of the canal company and the conservancy district to discuss what we could do at the zoning stage to help this problem. This second example shows if the developer was going to sell the shares, they needed to put in a delivery system. There was a discussion on the water used from the canal

and that there are constraints on how the water is moved within the canal system and about the culinary water supply to the development. The BRCC has the unique position that it can provide the water for outdoor use. We would like to continue to farm, but we cannot control the sale of our neighbor's property. If the farmers sell the water to a developer, that developer has purchased the property right and we cannot forestall them from using that in a secondary system. BRCC had a good discussion about this in our last board meeting.

Board Member J. Capener added that it seems the buyers are not being treated fairly by the developers and realtors. He has seen several cases where a portion of the water rights have been withheld from the buyer or sold in another transaction. The buyers then drill a shallow well and draft off the canal. This contributes to the problem of the canal company not being able to deliver to their shareholders.

Mr. Neilson continued by saying perhaps something could take place at the planning stage. There is a symbiotic relationship between the BRCC and the District. If we are successful, you will be successful, if we are unsuccessful, it will have a negative impact on the District as well.

There was a discussion considering if on a county level it could be a requirement for a developer to put in a pressurized secondary system that could then be fed by water from the canal system. It is problematic for the county to implement one requirement for the entire county when each area is different. The trigger would have to be if they are using agricultural water shares or canal company water in their portfolio. It was mentioned that the developer should be required to install the infrastructure if it is going to be used right away or not. Mr. Nielson pointed out that there are problems with secondary systems because they are on-demand, and the canal company essentially forces their shareholders into a set flow. We have had extensive conversations with Tremonton City about regulating ponds that need to be installed to control the flow.

The goal is to bring these groups together and start to develop ideas. Best case scenario would be to have some policies with the County Planning and Zoning by the end of this year. Then maybe by early Spring have something to present to the County Commissioners. We want to do this right, not fast, and it needs to be scalable. The State Engineer has also expressed interest in trying to solve this issue in this area.

Mr. Nielson expressed gratitude for the improved relationship and communication with the current County Commissioners. Things have improved since he took over as General Manager of BRCC.

Board Member Scott added he attended a BRAG meeting earlier today and in Cache County they say 86% of their growth is organic. Along the Wasatch Front it is around 70%. Box Elder County is probably about the same. When we state we don't want development or growth here, in essence what we are telling our kids and grandkids is we don't want you to live here. We do have to have growth in the right way. If the developers, real estate agents, water providers, and government are willing to come to the table, and talk about responsible growth, absolutely.

There was discussion of how on a state level the developers are not willing to come to the table. If we work together in the county, we can solve the problems.

Board Member J. Capener continued talking about people buying property and not getting all the water shares that go with the property and the problems this causes. Elwood City require some residents to give them their canal shares and they use very little culinary water in their businesses. I think this is wrong that they were strongarmed into giving away an asset to get a building permit. The board continued to discuss the issue.

Trustee Reports

Dave Forsgren – No report

Charles Holmgren – West Corinne Water Company (WCWC) sent out a letter to their customers with pricing and incentives for conserving water. They are going to invest in a large project to improve their water system. There is a subdivision going in the WCWC service area that possibly should have been annexed into Tremonton City and have water and sewer provided by them. Chairman Fridal added Tremonton City was willing to do this, but the developers did not want to have to comply with Tremonton City regulations. There was a discussion about the county water companies talking with each other on these matters.

Jay Capener – The water is in the canal. Canal water will be tight, but the projections get us to the end of the year.

DJ Bott – No report

Neil Capener – Referred back to the General Manager's report talking about the 10,000 acre-feet that the State Engineer said was available in this valley. He asked how are we as a water company? General Manager Mackley answered the District used our planning and projections ahead of time so when the policy came out in 2018, lifting the moratorium from 2012 to 2017 on anything other than a single family well, we filed 5 applications totaling 3500 acre-feet. We were one of the first besides the applications that were filed during that time and were held by the State Engineer. We had a 1,000 acre-feet application rejected northwest of Plymouth, along with four other applications. We have four other applications totaling 2500 acre-feet. Board Member Capener continued talking about water rights and mitigation to have applications approved. General Manager Mackley added that it is hard to get a water right approved and to get the money to put in a system. With the water we do have that has already been approved, we should be selling water to other suppliers. Riverside North Garland could be buying more water from the District and selling connection and collecting the impact fees. There is also a complication with infrastructure.

Mark Larson – Asked about how to tell the difference between draw-down and drought related drops in well levels. General Manager Mackley answered it should be easy to do with the right monitoring equipment and a sufficient time scale.

Joe Summers – No report

Richard Day – No report

Jay Carter – No report

Jeff Scott – Reported he will follow up on the phone call he received about getting a group of realtors, developers, County Planning & Zoning, and water suppliers together to discuss growth in the county.

Roger Fridal – Tremonton is doing fine; Garland is doing fine.

A motion was made by Vice Chairman Forsgren to have a summer party at Roger Fridal's residence on June 22nd and pay tributes to Robbie at his retirement. The motion was seconded by Board Member Day. All Board Members voted in favor of the motion.

This will be in place of our board meeting and will be at 6:30 PM.

Closed Meeting to discuss matters of pending litigation

A motion was made by Board Member Larson to enter into a closed meeting. The motion was seconded by Board Member Bott. Roll call vote:

David Forsgren, aye	Charles Holmgren, aye
Jay Capener, aye	DJ Bott, aye
Neil Capener, aye	Mark Larson, aye
Joe Summers, aye	Richard Day, aye
Jay Carter, aye	Jeff Scott, aye
Roger Fridal, aye	

A motion was made by Board Member Scott to end the closed meeting and return to the open meeting. The motion was seconded by Board Member Bott. Roll call vote:

David Forsgren, aye	Charles Holmgren, aye
Jay Capener, aye	DJ Bott, aye
Neil Capener, aye	Mark Larson, aye
Joe Summers, aye	Richard Day, aye
Jay Carter, aye	Jeff Scott, aye
Roger Fridal, aye	

A motion was made by Board Member Bott to adjourn the meeting. The motion was seconded by Board Member Day.

The meeting adjourned at 9:45 PM.