

**Bear River Water Conservancy District
Board Meeting
Wednesday July 27, 2022 7:00 p.m.
Bear River Water Conservancy District Conference Room
102 West Forest Street, Brigham City, Utah**

Minutes

Trustees Present: Roger Fridal, Charles Holmgren, Neil Capener, Richard Day, Jay Capener, Jay Carter, Joe Summers, Jeff Scott, Mark Larson

Absent: Dennis Bott, David Forsgren

Staff: General Manager Carl Mackley, Systems Operations Chance Baxter,
Administrative Assistant Jill Jeppsen

Other: Marie Owens, AE2S

Chairman Roger Fridal: Welcome

Invocation: Jeff Scott

Pledge of Allegiance: Roger Fridal

Declaration of Conflicts of Interest: None

Adoption of the Agenda

A motion was made by Board Member Larson to approve the agenda. The motion was seconded by Board Member N. Capener. Chairman Fridal, Financial Chairman Holmgren, and Board Members Day, J. Capener, Carter, Summers, and Scott voted in favor of the motion.

Approval of the Minutes for the Board Meeting held May 25, 2022

The minutes of the Board Meeting held May 25, 2022 were included with the packet that was provided to the Board Members.

Board Member Scott made a motion to approve the minutes of the meeting held May 25, 2022. The motion was seconded by Board Member Day. Chairman Fridal, Financial Chairman Holmgren, and Board Members N. Capener, J. Capener, Carter, Summers, and Larson voted in favor of the motion.

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

The financial statements for May 2022 and June 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 May 2022 and the June 2022 financial statements as presented. The motion was seconded by Board Member Day. Chairman Fridal, Financial Chairman Holmgren and Board Members N. Capener, J. Capener, Summers, Scott and Larson voted in favor of the motion.

Board Action Items

General Manager Mackley reminded the Board Members about the RFP (request for proposal) that was put out for engineering services for three of the four major projects we will be doing over the next three years. Specifically; the Harper Ward Production Well, half million-gallon tank and pump house. A well for Collinston and a second well in South Willard. We included a Honeyville site for an alternative to the Harper Ward or Collinston sites. This gives us some flexibility in case something does not work out, we can still use our grant money and do a project to produce water to serve those areas. We worked hard to describe what we wanted in the RFP. The RFP called for statements of qualifications, and the selection was qualifications based. The proposals were graded on the criteria of Competency = 50%, Familiarity with the District Systems = 25% and Costs = 25%. We invited six engineering firms to submit a proposal. Two of them did not respond. Four did respond, however, two of them partnered together giving us three bids to consider. JUB Engineers (JUB) has helped us obtain the funding for these projects. They partnered with Hansen Allen and Luce (HAL), who we have used as our primary engineering firm since the beginning. All the proposals were very good, and all the firms are highly competent. The other firms that responded were Keller Associates, who we have worked with on some projects, and Franson Civil Engineers. Chairman Fridal organized a committee to evaluate the proposals. The committee recommends to the board that the contract be awarded to the combined firms of HAL and JUB. This resolution describes how the committee came up with the recommendation of who we will enter into an agreement with for the next three years for these specific projects.

As stated in our procurement policy, we can establish a pool of engineering firms to do work for us. To create that pool requires following the same process that we went through for this RFP. This resolution recommends that we retain all of these consultants in a pool that we can draw on for any engineering work that falls under the same or similar categories to what was included in these proposals. The resolution reads:

RESOLUTION No. 2022-17

A Resolution Regarding Award of Engineering Contract for Three Projects Outlined a Request for Proposal

WHEREAS, Bear River Water Conservancy District is a governmental entity charged with providing water services to residents of the County; and

WHEREAS, on June 10, 2022 the District issued a Request for Proposal (RFP) for Professional Engineering Services with a closing date of July 8, 2022; and

WHEREAS, the District received three proposals from qualified firms by the closing date; and

WHEREAS, The District's selection committee made up of District staff and board members reviewed the proposals and graded them on the following criteria: Competency at 50%, Familiarity with the District systems at 25%, and Costs at 25%; and

NOW, THEREFORE, BE IT RESOLVED as follows:

The selection committee makes the following recommendations to the Board of Trustees and authorizes the General Manager to enter into final contract negotiations with the selected firm. In the event of unsuccessful negotiations, the District may enter into contract negotiations with other qualified firms that submitted acceptable proposals.

The selected firm is the partnership of Hansen Allen and Luce Engineers and JUB Engineers.

The District reserves the right to retain Hansen Allen and Luce Engineers, JUB Engineers, Keller Associates, and Franson Civil Engineers as Qualified Design Professionals and may contract with either of them on similar projects as described in the individual responses to the RFP that are outside the scope of work described in the RFP.

The effective date of this Resolution shall be July 27, 2022.

ADOPTED AND APPROVED by majority vote at a duly called meeting of the Board of Trustees on this 27th day of July 2022.

**BEAR RIVER WATER
CONSERVANCY DISTRICT**

By: _____
Roger Fridal
Chairman, Board of Trustees

ATTEST:

Carl W. Mackley, General Manager

Resolution RFP Award to Engineering Firm

A motion was made by Board Member Larson to adopt this resolution. The motion was seconded by Board Member Day. Chairman Fridal, Financial Chairman Holmgren and Board Members N. Capener, J. Capener, Carter, Summers, and Scott voted in favor of the motion.

Jill Jeppsen explained to the board that the 2022 tax rate needed to be certified by June 30, 2022. Since we did not have a board meeting in June Chairman Fridal signed the certification now. Jill showed the board the 2022 tax rate of .000194 compared to previous years. The lowest rate we have had is .000192 in 2015. In 2016 the District did Truth in Taxation to increase the rate. We must notify the County in October if we want to increase the rate for 2023. The Board needs to adopt the 2022 tax rate.

2022 Certified Tax Rate

A motion was made by Board Member Larson to adopt the certified tax rate for 2022. The motion was seconded by Board Member N. Capener. Chairman Fridal, Financial Chairman Holmgren and Board Members Day, J. Capener, Carter, Summers, and Scott voted in favor of the motion.

TrueCore Interlocal Agreement with Brigham City

The TrueCore Interlocal Agreement with Brigham City was proposed to the Board a few months ago. The Board decision was to not accept it without a cap in total dollars for the tax increment. This revised agreement has a cap as shown here:

1. Taxing Entity's Consent.

a. Pursuant to Section 17C-5-204(4) of the Act and Section 11-13-215 of the Cooperation Act, the Taxing Entity hereby agrees and consents that the Agency shall be paid sixty percent (60%) of the Taxing Entity's share of the Tax Increment from the Project Area (the "**Taxing Entity's Share**") for up to twenty (20) consecutive years, or a maximum cumulative Tax Increment payment to the Agency of \$69,113.85 from the Taxing Entity's Share. The Agency may begin collecting increment, or "trigger" the collection of Tax Increment, upon written notice to the Taxing Entity and to Box Elder County. Regardless of the date for which the Agency begins collecting Tax Increment under this Agreement, the Agency shall not collect Tax Increment for any period beyond the tax year ending December 31, 2043. The date that the Agency begins collecting Tax Increment under this Agreement shall be on January 1 of the particular tax year for which the Agency wishes to begin tax increment collection. For the sake of illustration only, this subsection requires that the Agency begin collecting Tax Increment no later than January 1 of the 2024 tax year in order to receive the full twenty (20) years of Tax Increment contemplated by this Agreement.

There was a short discussion on the agreement, and the advantages of proceeding.

A motion was made by Board Member Larson to accept the Interlocal Agreement. The motion was seconded by Board Member Scott. Chairman Fridal, Financial Chairman Holmgren and Board Members N. Capener, J. Capener, Day, Carter, Summers, and Larson voted in favor of the motion.

Policy Changes/Updates

Water Services Policy & Rules and Regulations for Retail Water Service.

The board members were given copies of the proposed changes for the Water Services Policy and the Rules and Regulations for Retail Water Service. The Water Services Policy has been reviewed by our legal counsel and the changes they suggested have been incorporated into the policy.

The Rules and Regulations for Retail Water Service have been updated. The references to wholesale water and new developments have been removed since that is covered by the Water Services Policy. The Rules and Regulations for Retail Water Service govern the sale of a single residential connection and the billing and collection of payments for this service.

A motion was made by Board Member Larson to table the adoption of the Water Services Policy and the Rules and Regulations for Retail Water Service to allow the board members more time to review the changes. The motion was seconded by Board Member Day. Chairman Fridal, Financial Chairman Holmgren and Board Members, N. Capener, J. Capener, Carter, Summers, and Scott voted in favor of the motion.

Travel Policy and Electronic Meetings Policy

The board members were given a copy of the new Travel Policy which adopts the IRS standard mileage rate as the District's mileage reimbursement rate and adopts the State meal per diem rate as the District's meal per diem rate. There is also a new reimbursement request form attached.

The Electronic Meetings Policy has been updated to include the addition of having a roll-call vote for any members attending the board meeting by electronic means.

A motion was made by Board Member Day to adopt the Travel Policy and the Electronic Meetings Policy as presented. The motion was seconded by Board Member N. Capener. Chairman Fridal, Financial Chairman Holmgren and Board Members Day, J. Capener, Carter, Summers, Scott, and Larson voted in favor of the motion.

Systems Operations Report – Chance Baxter

Beaver Dam – We installed a new cellular modem for the SCADA system. This is an industrial model and hopefully it will last longer than the others have in the past. The pumps in the lower springs began running to help fill the tank, mostly on weekends.

South Willard Well – We have water! We installed a 50-horsepower/5-inch pump inside the existing column. We started it last Tuesday for the first time. The water was dirty and rusty to begin with. The well was running at 145 gpm. We have been looking at many things to be able to use the well efficiently and maintain water clarity and quality. The well likes to run at 120 gpm and we can maintain a good static level at that flow rate. Any more than that it draws down to about 14 feet above the pump. The water level stays at 35 feet above the pump at 120 gpm and seems to be consistent at that flow rate. We are getting bids to add a VFD for the pump and motor to reduce the electrical draw, especially upon startup. We will be submitting water samples to the lab in Kansas to test for iron bacteria. We are working on ideas to keep the water moving to keep the bacteria down. There was a discussion on the water testing and the water usage in the system.

Harper Ward – Last month we installed 3 measuring devices on the outlet on the Harper Ward Spring Pond and one device on the Bear River Canal Company's flume. We are gathering the monitoring data twice a month. Yesterday we had a camera down the Harper Ward Test Well with the intention of installing a new pump and motor. We are planning to install a 10-horsepower pump and will have the capability to pump 50 to 90 gallons per minute. After the installation we are planning to test pump the well. We have a generator that will be set on location for the test pumping. We are purchasing the pump.

Water Quality in Bothwell – The farm has been taking a lot of water. We are taking TDS samples every two weeks. We took a sample from the Newman well on the 6th of July and tested in our office with a result of 776 ppm, while the official test results from Chemtech Ford were 960 ppm. We took a sample this week from the backup well and the results from the in-house test were 730 ppm. There was a discussion regarding the water quality and sampling we have done in other wells in the area.

General Manager's Report – Carl Mackley

Collinston non-production well- at the water right hearing, we submitted a non-production well (NPW) application and asked the State Engineer to hold the water right application until we can find out what impacts the well would have. We had not heard back from the State Engineer so on June 15th I contacted the regional engineer, Will Atkin, and asked him to please respond to that request. On June 21st I received a letter from him stating that he did not like the size of the NPW we asked for, which was 12 inches. He said he would approve a 6-inch NPW. We don't think we can get enough information regarding the aquifer characteristics and how it would affect wells in the area with a 6-inch well. We amended the request and asked for an 8-inch, believing we can pump around 200 gpm and see what the impacts will be. He asked for further information about the testing and development we would do and where we would monitor. We told him we are planning to monitor 7 locations. This will help us to really understand what is going on in the area. They have received the revised application and we are hoping for a quick response.

Employee Changes – As you noticed, we have a new employee, Chance Baxter. We are thrilled to have him working with us. When we knew Robbie was going to retire, we knew we needed someone with a lot of experience to replace him. The Board Members expressed concerns about replacing Robbie. Chance worked for West Corinne Water Company for 16 years. To pull him away was a good move for us. He has a lot of experience with water systems, and he is now becoming familiar with our systems. He is going to be a big help to us. He has already taken ownership for care of the South Willard Well. He has helped organize the operators and their work. We are excited to have Chance here. We also hired Jeff Humphrey to be the Assistant General Manager. He is coming to us from

Pineview. Jeff will start on August 1st. He is highly capable and very smart. He is an engineer by trade. He has also worked for the Bureau of Reclamation and has good experience. He is happy to be making the transition to the District. We will do some training with him on drinking water and drinking water system. It is good to have a full house again.

Water Rate Studies – A couple months ago, we had a conversation about doing water rate studies. The board asked me to procure a certain engineering firm to do them. Because of our funding what we ask for in a study is different from a municipality or a private water company. We are funded in three ways; property taxes, wholesale water sales and retail water sales. Impact fees only apply to retail water and that is only 8 percent of our water sales. Normally, the impact fees are what other water suppliers are using to fund future projects. It's complicated with us because you have to look at the entire package. We want the study to look at impact fees, retail rates, and wholesale rates. We were very specific in the scope of the study. The engineering firm that the board recommended did not want to do the work for us because they are extremely busy and they had conflicts. JUB has done a lot of these studies and they partner with Energy Finance & Government Consulting (EFG Consulting). We have a combined quote from them to do the scope of work for a 'not to exceed' fee of \$90,000. It is a lot of money, but it is money that we need to spend to have the study done. It is too much for our budget to handle this year, so we would have to split it between this year and next year. Also, Cindy Gooch (the grant writer with JUB) said there is a grant that we could get from the Bureau of Reclamation for up to \$100,000 that would pay for 50% of the study. She will be working on the application beginning next week.

South Willard Well – To date we have paid \$200,000 to get the well back. Compared to the cost of drilling a new well, we are ahead financially. We are learning a lot about how to keep the water moving to keep the iron bacteria problems under control.

Water in Bothwell – I recently met with West Corinne Water Company (WCWC). They want to be partners with us for a long time and want to buy more water from us. They would take it through Harper Ward if they could, and additional water from Bothwell. We do not have water from Harper Ward right now and we are getting to the point in Bothwell that we do not know how much more is available in our existing 10-inch pipeline. I had a good conversation with Steve Norman and Cary McFarland. Part of the issue is a developer that needs water. WCWC started to supply water to him for Phase I, but have now put a pause on selling any more connections. They sent the developer a denial letter for the remaining two phases of the development. The developer has approached the District for water and gave us a copy of the denial letter. For us to provide him with water would involve running a pipeline down Rocky Point Road about 1.7 miles to his property. WCWC would like to sell more connections but are being told no by their engineers. Another option would be to have the developer build the pipeline but have it as another delivery point on WCWC's system. We have asked Bill Bigelow with Hansen Allen and Luce to do some modeling for us to have a better understanding of what the limitations are with our 10" pipeline. As we have mentioned before there are significant infrastructure updates that are needed in Bothwell. We are supplying a lot of water to the farm, and they pay very little for the water. We lose out on revenue by not selling it as wholesale water. The current agreement ends in 2026 and for future funding of the system this will need to change. For now, we are happy that we can supply water to the farm.

County Development & Water Policy - We talked at length about this last month. Since that time, Trevor Nielson and I have met with the county planning and zoning folks and we have a draft letter of recommendations for them and others that represent best management practices for decision makers

to consider for water issues when considering land development. In addition, I met with the Brigham/Tremonton Board of Realtors at their request earlier this month. They are frustrated with being turned down for water all the time and are looking for solutions to make water available in Box Elder County. It was a good conversation that we had at that meeting.

Will Atkin from the Division of Water Rights was there. Tim Davis, Director of the Division of Drinking Water (DDW) also attended virtually and made several comments. I learned from Tim that the DDW doesn't want any more developer-created water systems in the state, as they are problematic. They want the local public water suppliers to oversee the systems. I also heard Will Atkin say some very interesting things about water availability in the Bear River Valley in Box Elder County. He said that he believes that the current groundwater management plan and policy will continue to be challenged and may change. He also said that he believes that the availability of good quality water for culinary purposes is also very limited and finding it in groundwater in the valley is getting more rare.

Based on what I heard, I am of the opinion that the District should make a very concerted effort to masterplan how we will use groundwater from the valley to create culinary sources, including pushing for approval of our groundwater applications that have not been acted on. After that, all we would have is Bear River water.

We need to be having more frequent conversations about Bear River development as a board. I am aware that others are talking about it and making plans. We should be doing the same and not put those conversations off until it is too late.

Board Member Scott talked about the opinion of the County Commissioner's regarding the location of the proposed pipeline, and the cost to acquire the property for the easement. The current location puts a pipeline next to a railroad track and is between the main highway and freeway. It is in the most populated area, the fastest growing area, and on the most expensive property. There have been some talks about alternatives such as taking the pipeline through Promontory.

General Manager Mackley continued his report. I am suggesting that we come up with a plan that allows the county to develop Bear River Water under our own terms and conditions. There are a multitude of possible scenarios to do this that are separate from the "Bear River Development Report" released by Bowen & Collins in October 2019. I am aware of concerted efforts that the Cache Water District is taking currently to develop separate scenarios from the scenarios considered in the 2019 report. They have expressed some interest in working collaboratively with us on doing some planning and studies. I think we should show interest in the efforts that they are making and have some discussions with them on collaborating for planning purposes.

Financial Chairman Holmgren added the State's position about the Promontory alternative is that it would add to the cost of the project. "At the last Utah Water Users meeting I was hearing, if we don't play ball with Jordan Valley and Weber Basin, there probably won't be any Bear River Development." Jordan Valley is extremely concerned that the legislature will 'deep 6' the Bear River Development to divert the water to the Great Salt Lake. It is concerning to give away drinkable water to a salt lake. We are the second driest state in the nation. There is so much press on Great Salt Lake preservation. There was a discussion on the Great Salt Lake and growth in the state.

Trustee Reports

Jeff Scott – No Report

Jay Carter – We need some rain

Richard Day – No Report

Joe Summers – No Report

Mark Larson – No Report

Neil Capener – No Report

Jay Capener – Hot and dry, we need some water

Charles Holmgren – I know we need rain, but we need a couple of weeks of dry weather to cut grain. To follow up on what was mentioned about West Corinne, I have been approached by a couple of their board members about the District trying to steal customers away from WCWC.

At the Utah Water Users Meeting Carl and I attended, the Cache Water District suggested that BRAG is looking to find financial support to do a public relations campaign promoting the benefits of agriculture in the Bear River Basin to counter some of the Great Salt Lake propaganda.

There is a Board of Water Resources meeting next week. It will be a long meeting; it is scheduled to begin at 8:00AM and finish around 6:00PM. There is a huge amount of money to allocate for secondary water meters. There are dozens upon dozens of applications. One of the things that has come up in the last week is developers in the Garden City area working near a canal system called Hodges Irrigation, have breached the canal. The developers are refusing to pay to have the canal fixed, and these folks are in an emergency state trying to get water. They have been moved to the top of the agenda at Board of Water Resources next week. Board Member Scott said there may also be some Community Block Grant money available to them. They are expecting their portion to be around \$300,000 for the repairs. They will have to pipe 750 feet to repair that section. It has taken the water from the golf course, and they are losing that revenue, too. It has shut off all the water to several ag areas, including raspberries and hay. One of their commissioners said it would be a loss of \$175,000 to him personally due to the loss in hay production. Financial Chairman Holmgren said it is similar to a situation in Salt Lake County a few years ago where the developers undercut the canal and it flooded 20 homes. That was a similar emergency with the Board of Water Resources. In our area, encroachment by developers is making it hard to maintain our canals. Tremonton City is good to help with this issue.

Roger Fridal – has talked with Tremonton, Garland, and Elwood. Their water is ok this summer.

Board Discussion on General Manager Salary

Chairman Fridal lead a discussion about the current wages for the General Manager. He talked about the experience of recently hiring a new assistant general manager and the amount of money that was wanted by the candidates. He praised Carl for the job he does for the District. It was mentioned that if

someone were to poach him from us, it would cost the District a lot more in wages to replace him. The only merit increase he has received was 6 months after he began. The only other increases have been Cost of Living increases. There was a discussion on the benefit package.

The Board wants to give enough of an increase to let Carl know he is appreciated.

It was suggested that we have a policy so that future increases are truly merit based. It was noted that Carl does this for the staff.

Board Member Summers made a motion to give the General Manager a 6% pay raise. Board Member Larson seconded the motion. Chairman Fridal, Financial Chairman Holmgren and Board Members N. Capener, Day, J. Capener, Carter, and Scott voted in favor of the motion.

The increase becomes effective August 1, 2022.

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

The meeting adjourned at 9:15 PM.