

**Bear River Water Conservancy District
Board Meeting
Wednesday August 31, 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, David Forsgren

Absent: Dennis Bott

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

Other: Craig Jackson, Kory Wayment, Nelson Barksdale, Connie Lemmon, Kelly Lemmon

Chairman Roger Fridal: Welcome

Invocation: Joe Summers

Pledge of Allegiance: Mark Larson

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 Day. Chairman Fridal, Vice Chairman Forsgren, Financial Chairman Holmgren, and Board Members N. Capener, J. Capener, Carter, Summers, and Scott voted in favor of the motion.

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

The minutes of the Board Meeting held July 27, 2022 were included with the packet that was provided to the Board Members.

Financial Chairman Holmgren made a motion to approve the minutes of the meeting held July 27, 2022. The motion was seconded by Board Member Carter. Chairman Fridal, Vice Chairman Forsgren, and Board Members N. Capener, J. Capener, Day, Scott, Summers, and Larson voted in favor of the motion.

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

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

Petitions to the Board

Kory Wayment – Harper Ward Development

Kory Wayment spoke to the board members about getting water to some property he owns in Harper Ward located above 1100 W. at approximately 4500 S. He is currently keeping a few cows on the property and is thinking of subdividing the property into eight 5-acre lots in the future.

There was a discussion about what it would take to get the water to the property, the easements, the preliminary plans, and if the subdivision has been approved by the County.

A motion was made by Board Member J. Capener to table the issue until further information is provided. The motion was seconded by Vice Chairman Forsgren. Chairman Fridal, Financial Chairman Holmgren and Board Members Day, N. Capener, Carter, Summers, Scott, and Larson voted in favor of the motion.

Buster Marble - Chanshare

This item was cancelled

Board Action Items

Policy Changes/Updates

Water Services Policy

The Water Service Policy updates were provided to the Board Members at last month's meeting.

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

Rules and Regulations for Retail Water Service

The Rules and Regulations for Retail Water Service updates were provided to the Board Members at last month's meeting.

A motion was made by Vice Chairman Forsgren to adopt the Rules and Regulations for Retail Water Service. The motion was seconded by Board Member Larson. Chairman Fridal, Financial Chairman Holmgren and Board Members Day, J. Capener, N. Capener, Carter, Summers, Scott, and Larson voted in favor of the motion.

Records Access and Management Policy

A copy of the Records Access and Management Policy updates were provided to the Board Members in their meeting packets.

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

Board Member Training

Jill Jeppsen reminded the Board Members of the required Open and Public Meeting training that each member needs to complete before the end of the year.

Pictures

Jill Jeppsen asked the new Board Members to provide her with a picture for the website and the Board Member pictures that are in the lobby.

Systems Operations Report – Chance Baxter

Beaver Dam: Beaver Dam system is running efficiently. The upper springs have been able to keep up with the system demand. The upper spring is currently running at 10 GPM while the lower springs are holding around 13 GPM. The new modem that was installed last month has worked great to keep our SCADA online.

South Willard: South Willard well is nearly ready to go back online. We have taken samples from the well and sent them to a lab in Kansas. We should receive the results within the next couple weeks. I am working with a company to get the chlorine treatment switched from liquid chlorine to gas. This needs to be done because the current treatment equipment is way oversized for the new flows of the well. Also, the amount of chlorine that we will be dosing is very low. We are still working on an operation plan to run the well nonstop to keep the water aesthetics in order. We will need to take 1 nitrate sample and 2 bacteria samples. These will need to be submitted to the state prior to putting the well back into the system.

Harper Ward: We have installed a 10 hp motor into the well. Shortly after we performed a 48-hour test pumping. The water quality was exceptional upon startup. Over the test pump we averaged 83 gpm. The drawdown of the well was less than 6 inches over the entire pumping. Also, the water temp was around 62 degrees. We sampled the well a few hours after startup and at the end of the 48 hours. Both sets of samples were taken to Chemtech Ford laboratories. The results of those samples were well within the requirements of the state. All things indicate that we have ourselves a clean and very productive source.

Bothwell Newman & Backup Well: The Bothwell system is running smoothly. We did have one leak in the Point Lookout subdivision. The gooseneck on a service line to one of the houses split and began to leak. Speaking with the operators they've informed me that this is the 4th or 5th time a leak like this has occurred. We believe it's due to the installation method used. It is very likely that we will see more leaks within that subdivision of a similar manner. Tremonton City had a leak in their system within a canal. They've been able to isolate the leak and bypass the broken line until Fall when the water is out of the canal. We have fed them water through bypass number 3 until they get their tanks refilled.

Collinston/UKON Blending: We are currently working with UKON to install a 10-inch meter on the outflow of their tank. I am getting bids and talking to contractors about what needs to be done here. The storms that we've had over the last month have caused a few SCADA issues but nothing too dramatic.

Booster Station, Riverside North Garland: Nothing to report here. The system is running normally.

New Connections: Two new connections have been installed in Collinston.

Other: The state will be conducting a sanitary survey on 4 of our systems on the 20th and the 22nd of this month. The operators and I are cleaning and preparing for this.

There was a discussion regarding the new EPA Lead and Copper rule that has been passed. Chance Baxter attended a class at the Rural Water Conference this week that explained the changes in the rule. General Manager Mackley asked the board members if they thought there would be interest from the other water suppliers in the county to hold a meeting and have someone come and explain the changes and what will be expected of the water suppliers. Several board members thought this would be a good idea and requested it be put together.

General Manager's Report – Carl Mackley

A. Bear River Basin Ag Study - Approve \$10,000 Contribution

General Manager Mackley met with Nathan Daug of the Cache Water District to find out more about this study. Nathan has asked our District for financial support for the study, which is being headed by the Bear River Association of Governments (BRAG) to quantify in dollars, the value of agriculture in the Bear River Basin. The study, or report, includes the Utah and Idaho portions of the Bear River Basin. There is a lot of Great Salt Lake (GSL) hysteria out there emphasizing help to the level of the lake. Some of it is good, and some of it threatens developing Bear River water. One suggestion is to take water used for agriculture in the Bear River Basin and put it in the GSL. There is only so much water they could take. Nobody seems to be speaking up for agriculture, or at least it is not getting the same media attention as the "save the lake" crowd. The agricultural industry in the basin wants to quantify the benefit of agriculture in dollars and show why it is not feasible to try and take this water and put it in the GSL. There are many entities involved in the GSL cause. This study is designed to support agriculture. It is worth a contribution for \$10,000. The anticipated total cost of the study is \$150,000.

Most of the money will come from revenue we received by selling the chemicals back that we did not use in the South Willard well. The rest will come from the explorations and studies budget.

Board Member Scott added that in 2017, the GSL Advisory Council asked to identify ways to put any available water into the GSL. There were 72 items that came out and the Council took a stance on them; support, unknown, or oppose. One item was to permanently abandon the Bear River Development Project so that this water goes to the GSL. It has been discussed. It would take legislative action to do it. The interesting thing is almost everyone on the Council is affected by this because they live in one of the four areas of the BR Development. We are not saying the GSL does not need water, but to shut this area of the state down, is not the way to do it. General Manager Mackley continued by saying this report is not addressing the potential for the BR Development Project. It is identifying Bear River Canal Company (BRCC) water, Last Chance Canal Company and others, and identifying what that impact would be to the GSL. The study will show what the option of leasing farm water would look like, and if that is an option. Financial Chairman Holmgren added that the BRCC has committed \$10,000.

A motion was made by N. Capener to contribute \$10,000 to the Bear River Basin Ag Study. The motion was seconded by Board Member Larson. Chairman Fridal, Vice Chairman Forsgren,

Financial Chairman Holmgren and Board Members Day, J. Capener, Carter, Summers, and Scott, voted in favor of the motion.

B. Agreement with South Willard Water Company

South Willard Water Company (SWWC) has been a good partner through everything that has happened both with them and with us. The original agreement was made in 2007 to supply them with 25 acre-feet of water per year on a take-or-pay contract. This would average 15 gpm if they took it year-round. Due to the situation that happened with the District's well, where we have not been able to provide them with water for the past 27 months, they feel this situation is opening the door for a new agreement. They want to renegotiate an agreement that is not a one-sided agreement by removing the take-or-pay aspect of the existing agreement. During the past 27 months, we never construed to them that we were ending the agreement. We conceded that we were not able to supply them water at the time and that we would not charge them until our source came back online. Our legal counsel opined that we never ended the agreement. SWWC did not provide us with any written notice that we had defaulted on the agreement. If they would have done that, the agreement could have been terminated. They want to discuss renegotiating an agreement with them. The communication we have had during this time has been 'we are sorry we cannot provide the water at this time, but we will provide it as soon as we can again'. We need them to take water from us, so we are relying on that legal opinion. We also have our second well project that is in the works. We have recently talked with the developer, and they think they are going to start subdividing in the Spring, which we heard last year. We have a meeting with SWWC on Thursday September 8th to discuss these issues. General Manager Mackley asked for a couple of Board Members to attend the meeting with him. Board Member Day gave some of the history of the partnership.

We are only a few weeks away from having water available. We have taken water quality samples and have forwarded the results to SWWC as they have been received are waiting for the rest of the results to come back.

There was a discussion on the system volume and use and the need for SWWC to take water. It was decided that Board Member Day and Vice Chairman Forsgren would attend the meeting with General Manager Mackley and Chance Baxter.

C. Resolution BOR-UC-R22AS00348 - Grant money for Impact Fee and Rate Studies

Last month we agreed to apply for a grant to cover approximately 50% of the \$90,000 financial plan studies that will include impact fees, and water rates. The application has been submitted to the Bureau of Reclamation. It requires a written resolution by the Board:

**OFFICIAL RESOLUTION
 RESOLUTION NO. BOR-UC-R22AS00348**

Bear River Water Conservancy District (BRWCD)

WHEREAS, **BRWCD** must maintain, provide for, and service the Water System,

WHEREAS, **BRWCD** sees the need to prepare a **System Optimization Review** to improve water and energy conservation and efficiency,

WHEREAS, **BRWCD** desires to obtain grant funding from the Bureau of Reclamation through the **Water Conservation Field Services Program**.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors agrees and authorizes that:

1. The **Water Conservation Field Services Program** application has been reviewed by the Board of Directors and supports the contents therein;
2. **BRWCD** is capable of providing the amount of funding specified in the funding plan; and
3. If selected for a **Water Conservation Field Services Program** grant, **BRWCD** will work with the Bureau of Reclamation to meet established deadlines for entering into a cooperative agreement.

A motion was made by Board Member Larson to approve the resolution for the rate studies grant money. The motion was seconded by Vice Chairman Forsgren. Chairman Fridal, Financial Chairman Holmgren and Board Members Day, J. Capener, Carter, Summers, Scott, and N. Capener voted in favor of the motion.

D. Truth In Taxation 2023

Because we are a calendar year entity, we need to notify the county prior to October 1st if we intend to go though Truth in Taxation (TNT) for 2023. It has to be approved by the board in a public meeting before October 18th, so that will need to be done at our September board meeting. We will have to advertise and we will have the public hearing in December along with our budget public hearing.

The following slides were shared with the board members:

2023 Preliminary Budget Projections

	Prior Year Actual 2021	Current Year Estimated 2022	Proposed Amended Budget 2022	Preliminary Budget 2023	Amount of Change from 2022-2023
Revenues					
Property Taxes	1,307,660	1,346,000	1,346,000	1,265,199	-80,801
Contribution to other governments	127,444	127,444	125,080	125,080	0
Fee-In-Lieu of Taxes					
Charges for Services	406,265	468,940	528,940	468,940	-60,000
Interest Income\ Misc.\Impact Fees	1,020,775	40,860	79,560	41,050	-38,510 does not include impact fees-restricted use
Lease/Rent	146,005	139,504	129,504	134,504	5,000
Intergovernmental revenue/grants	89,588	25,500	25,500	70,500	45,000 rate study grant
Other Financing Sources					
Contribution From Fund Bal.	319,694	448,852	419,781		no funds transferred to cover capital projects
TOTAL REVENUES	3,417,432	2,597,100	2,654,365	2,105,273	-129,311
					*Does not include ARPA grant
Expenses					
Wages and Benefits	524,348	714,270	727,990	852,152	124,162 10% COLA & merit increases included -adst employees using benefits at ~60k per employee
Operating Expenses	250,598	261,397	291,775	347,975	56,200 due to inflation
Depreciation	348,441	324,000	324,000	324,000	0
Capital Outlay	449,000	325,000	349,931		no capital projects-they're funded by grants/bonds
Interest on Bonds	41,906	37,324	37,324	37,324	0
Water O&M Expenses	294,373	289,500	350,000	378,000	28,000 due to inflation/increase in fuel costs
Other Expenses	42,440	124,900	51,100	51,100	0 weather modification
Debt Service	449,000	393,265	393,265	393,265	0
Other Financing Uses:					
Contribution to other governments	149,916	127,444	129,080	125,080	-4,000
TOTAL EXPENSES	2,544,022	2,597,100	2,654,365	2,508,896	204,362
Income or (Loss)	873,410	0	0	-403,623	390,938 Budget shortfall

Property Tax Income

Property Tax Received	2019	2020	2021	2022	Diff 2021 to 2022
January	20,393.46	18,898.77	30,262.68	103,640.52	73,377.84
February	17,216.67	13,476.87	20,167.04	18,226.28	(1,940.76)
March	8,562.61	12,928.80	13,632.70	13,422.62	(210.08)
April	28,436.86	13,482.15	14,379.83	19,442.04	5,062.21
May	135,093.21	141,526.99	81,556.56	66,291.18	(15,265.38)
June	9,243.89	15,049.53	73,765.48	43,001.72	(30,763.76)
July	16,982.55	9,540.14	10,646.27	34,433.88	23,787.61
August	6,780.77	10,324.99	8,993.15		
September	8,799.64	6,818.89	17,916.22		
October	32,309.82	26,908.58	19,914.42		
November	745,320.14	702,998.51	893,802.18		
December	272,907.70	320,576.00	122,623.54		
	1,302,047.32	1,292,530.22	1,307,660.07	298,458.24	54,047.68
Tax Rate Estimated	1,176,298.00	1,212,227.00	1,224,397.00	1,265,199.00	
Difference Est to Act	125,749.32	80,303.22	83,263.07	(966,740.76)	

TNT Options

	BE County Values	Rate	Amount	Difference
Current	6,521,644,117.00	0.000194	1,265,198.96	
Maximum	6,521,644,117.00	0.000300	1,956,493.24	691,294.28
Middle	6,521,644,117.00	0.000260	1,695,627.47	430,428.51
	BE County Average Home Taxable Value 2023	Rate	Amount	
Current	219,835.32	0.000194	42.65	
Maximum	219,835.32	0.000300	65.95	23.30
Middle	219,835.32	0.000260	57.16	14.51

Tax Rate Summary

Year	Adj. Sum of Valuations-Certified tax rate value	Certified Tax Rate	CTR Budgeted Revenue	Year	Adj. Sum of Valuations-Certified tax rate value	Certified Tax Rate	CTR Budgeted Revenue	
1988				2006	2,037,180,633	0.000200	407,436	Tax Increase - Truth in Taxation
1989				2007	2,098,521,902	0.000194	407,113	
1991				2008	2,383,522,069	0.000188	448,102	
1992	1,231,458,545	0.000189	232,746	2009	2,706,051,666	0.000192	519,562	
1993	1,308,580,605	0.000192	251,247	2010	2,683,844,632	0.000193	517,982	
1994	1,362,170,038	0.000192	261,537	2011	2,690,863,076	0.000200	538,173	
1995	1,415,946,775	0.000187	264,782	2012	3,031,079,284	0.000200	606,216	
1996	1,522,275,369	0.000187	284,665	2013	3,236,983,377	0.000198	640,844	
1997	1,590,800,012	0.000185	294,298	2014	3,265,644,269	0.000198	646,776	
1998	1,734,939,757	0.000176	305,349	2015	3,424,247,824	0.000192	657,456	Tax Increase - Truth in Taxation
1999	1,673,373,279	0.000173	289,494	2016	3,655,429,787	0.000290	1,060,075	Tax Commission set .000290
2000	1,671,810,049	0.000166	277,520	2017	3,775,038,923	0.000281	1,060,786	
2001	1,753,625,818	0.000168	294,609	2018	3,975,052,907	0.000272	1,081,214	
2002	1,780,707,180	0.000165	293,817	2019	4,612,932,033	0.000255	1,176,298	
2003	1,782,245,898	0.000166	295,853	2020	5,029,986,728	0.000241	1,212,227	
2004	1,850,907,323	0.000167	309,102	2021	5,466,056,701	0.000224	1,224,397	
2005	1,942,942,646	0.000163	316,700	2022	6,521,644,117	0.000194	1,265,199	

There was a short discussion about the way the declining tax rate works. It was noted that several entities in the county have decided to go through TNT every year in order to keep up with inflation. For the District, the percentage increase may seem large, but the dollar amount is not large.

A motion was made by Vice Chairman Forsgren to proceed with Truth in Taxation for 2023. The motion was seconded by Board Member Larson. Chairman Fridal, Financial Chairman Holmgren and Board Members Day, J. Capener, Carter, Summers, Scott, and N. Capener voted in favor of the motion.

E. Partnership in GSL Basin Study

The Division of Water Resources is spearheading a study of the GSL Basin to model the impact that various scenarios will have on the lake level by combining modeling efforts for the Bear River

Basin, the Weber River Basin, the Jordan River Basin, and any and all the tributary basins to the GSL. This has never been completed before. They will be using and matching \$5 million of the \$40 million that the legislature appropriated for the GSL. They are looking at doing a grant to have the Bureau of Reclamation sponsor the study. If the Bureau sponsors the study, it becomes a very highly respected and competent effort. However, the state is prepared to go through the exercise whether they get the grant or not. At the beginning of the year they reached out to interested parties to submit a letter of interest in the project. I submitted a letter of interest, saying we were not committing to anything, but if they are going to do a study in our basin, we want to be apart of it. Now they are asking for a letter of support to submit their grant application next week. They are not asking us to commit any funds, they are asking for cooperation or any previous studies or modeling information, and participation. Now that Jeff Humphrey is working for us, it will allow the General Manager to have more time to participate.

A motion was made by Board Member Scott to write a letter of support for the GSL Basin Study. The motion was seconded by Financial Chairman Holmgren. Chairman Fridal, Vice Chairman Forsgren and Board Members Day, J. Capener, Carter, Summers, N. Capener, and Larson voted in favor of the motion.

Chairman Fridal suggested that the board officers sign the letter.

F. Bothwell System

The drought resiliency study that we did last year identified our Bothwell System should be our number one priority for doing any additional projects that would help with drought. We did nothing on it because it was too complex and expensive to do what they suggested. Now we are getting close to reaching the capacity of the existing pipeline, based on our current obligations. The bottom line is the Bothwell System needs a larger capacity pipeline, and we will need it sooner than later. West Corinne Water Company (WCWC) is asking for more water. We entered a 7-year agreement with them a couple of years ago. They increased the amount of water they take from us with the intent of turning around and selling connections. They are grateful for the water. Their springs in the Harper Ward area are down significantly. They want to buy additional water from Bothwell and Harper Ward. We are hesitant to sell more water from the Bothwell system until we have some modeling done. Hansen Allen and Luce have been working on this model. They are compiling a report, and recommendations for the system. We hope this report is ready for next month's meeting. We need to plan for some staged upgrades to this system. We are going to have to sell water to pay for the upgrades. There is also coordination and planning that needs to take place with all our wholesale customers. WCWC has been taking water year-round, which is helpful.

Trustee Reports

Jeff Scott – Have a meeting with the Board of Realtors. They develop and they want water.

Jay Carter – Had a little bit of rain in the last couple of weeks, it has helped.

Richard Day – No Report

Joe Summers – Things are good. Grateful for the water, the pasture is doing good.

Mark Larson – No Report

Neil Capener – No Report

Jay Capener – The rain has helped with our canal water usage, but not with the harvest.

Charles Holmgren – As of the 24th of August Bear River Canal Company had used about 56,000 acre-feet at the Bear River Canal Company and had about 56,000 acre-feet left. They turned on another pump yesterday at Bear Lake. They are not keeping up with the heat. This makes 3 pumps running. The canal manager had a tour with Rubicon Automation System and had the canal companies from Central Utah come and join the tour on the system.

Dave Forsgren – No Report

Roger Fridal – Has visited with Garland, Elwood, and Tremonton. Tremonton had 3 major leaks last week. Elwood and Garland both said things are good with water.

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

The meeting adjourned at 9:35 PM.