



Board Meeting Minutes

Wednesday July 26, 2023 @ 7:00 P.M.
102 West Forest Street
Brigham City, UT 84302

In Attendance:

Board Members

David Forsgren, Chairman	DJ Bott, Vice-Chairman
Charles Holmgren, Financial Chairman	Jay Capener
Lyle Holmgren	Brodie Calder
Mark Larson	Joseph Summers
Richard Day	Boyd Bingham

Staff:

General Manager, Carl Mackley; Assistant General Manager, Jeff Humphrey; Systems Operations Manager, Chance Baxter; Administrative Assistant, Jamie Williams

Closed Meeting 6:00 PM—Strategy session to discuss pending or reasonably imminent litigation, or to discuss the purchase, exchange or lease of real property.

Chairman Dave Forsgren called closed meeting to order at 6:00 PM.

Board Member Richard Day made a motion to exit closed session at 7:00 PM, seconded by Board Member Lyle Holmgren; all members vote aye, motion passed.

Chairman David Forsgren - Welcome

Chairman David Forsgren welcomed all in attendance and called the meeting to order at 7:00 pm.

Invocation & Pledge of Allegiance

Offered by Board Chairman David Forsgren

Declaration of Conflicts of Interest

N/A

Adoption of the Agenda

A motion was made by Board Member Jay Capener to approve the agenda, motion was seconded by Board Member Richard Day; all members vote aye, motion passed.

Approval of Minutes

June 28, 2023 Meeting

Financial Chairman Charles Holmgren made a motion to approve the minutes for June 28, 2023 Board Meeting, seconded by Board Member Richard Day; all members vote aye, motion passed.

Financial Chairman Charles Holmgren – Financial Business

The financial statements for June 2023 were prepared and provided to the board members, Financial Chairman Charles Holmgren has reviewed the financial reports for the District and has found them to be in order and recommended the Board's approval. Board Member DJ Bott made a motion to approve the financials for June 2023, seconded by Board Member Mark Larson; all members vote aye, motion passed.

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Public Hearing on Proposed Water Revenue Bonds– Chairman David Forsgren

Chairman David Forsgren opened the public hearing to receive input from the public with respect to the issuance of the bond and the potential economic impact that the improvement, facility, or property for which the bonds will pay all or part of the cost, will have on the private sector.

- **Introduction by General Manager Carl Mackley**

As prescribed by law the purpose of the public hearing is to follow up on the resolution that the Board adopted in the June 28th meeting to enter into bonds for projects identified in the Districts 2021 drought resiliency plan, bonds will be used in conjunction with District funding and grant money procured for these projects. This debt is primarily replacing previous debt (2) bonds that are to be paid in full in 2024 with reserve funds set aside for final payment (Mackley provided a graph during his presentation that is an attachment to the minutes). The District is proposing to bond 2.84M from the State Revolving Fund to participate in the various projects previously identified, the bonds are water revenue bonds; therefore, taxes cannot be increased to pay the bonds. The repayment period of the proposed bonds begins in 2025.

- **Public Hearing**

Board Member DJ Bott made a motion to open public hearing specific to the issuance of bonds and the potential economic impact that the improvement, facility or property for which the bonds will pay all or part of the cost will have on the private sector, seconded by Board Member Lyle Holmgren; all members vote aye, motion passed.

Rich Garrett, Collinston:

The question that I have is to pay off this new debt, are you going to have to increase fee structure, to pay it off since theoretically you can't use tax payor dollars for it, how are you going to pay off this debt? Oh, just questions not answers? (Board Member DJ Bott informed Mr. Garrett that once the public hearing is closed, the Board will answer the question).

Judy Leonhardt, Garland:

Ok that would also be a similar question. Will the rates for the customers be increased in this bonding issue? Where there are some pending legal issues on some of the water acquisitions and will any of these monies be used toward legal fees by the water district?

Kelly Lemmon, Collinston:

I just have a question, will the funding be used or co-mingled with other funding for specific projects, meaning do you have a project that you would use bond money, tax payor money, revenue money, grant money? Does that money co-mingle on projects?"

Seeing that there are no more comments, Vice-Chairman DJ Bott made a motion to close the public hearing, seconded by Board Member Jay Capener; all members vote aye, motion passed.

Vice-Chairman DJ Bott suggested to Chairman David Forsgren to allow the General Manager to address some of the public questions.

General Manager Carl Mackley:

These are good questions and are basically the same questions I have been answering this week. I was hoping some of the charts and visual presentations would help answer these questions. The best way to answer your questions is to give you information on what we do and how we operate. I don't have a current copy of the budget in front of me; however, it is available to the public. Our budget for 2023 was right under \$3M for the year, half of our bond payments are paid in January, and half of them in March, this year the total was payment for bonds was \$377,214.00; assuming that the Board continues to approve the State Revolving Fund Bond our

bond payment in 2024 goes to \$352,703.00, it was previously scheduled to be \$375,000.00, this decrease is made possible by paying off a couple of bonds early. Final payment for several bonds is in a reserve account, basically it doesn't count against the District's budgeted amount. The District typically budgets about \$350,000.00 a year for projects, \$375,000.00 has been going to debt payment. More will be discussed later this year during the budget hearing, and possible budget amendment hearing, if necessary. In my opinion, I would not make a recommendation to the Board to change any of the fee structures based on this bonding because of the similar payment amount; this small percentage of increase doesn't necessitate any action, it can be absorbed in other areas. I will go over this in more detail later on in the meeting. Based on the funding that we have, the grants we have procured and the projects we are doing, we are booked out as far as big projects go, through 2026. In 2030, there will either be more room in the budget to bond again or otherwise convert that money to project money that would probably be ongoing. We do not anticipate raising rates to pay the bonds; we are currently in the process of an impact and rate fee study that addresses tax revenue as a percentage, and all of our water rates and structures. I feel very comfortable in saying and recommending to the Board that no change happens in our funding based on this bond. Chairman David Forsgren stated that we have funding set aside in our budget for legal fees based on the pending litigation, this bond money will not be used to pay the District's legal fees.

Vice-Chairman DJ Bott clarified the answer to Kelly Lemmon's question... "will the funding be used or co-mingled with other funding for specific projects, meaning do you have a project that you would use bond money, tax payor money, revenue money, grant money? Does that money co-mingle on projects?"

Vice-Chairman DJ Bott: Typically, when you go out for a bond you're going out for money for projects, and that money basically becomes fungible within the budget, within those projects that you have identified. A lot of times when you go out for a grant for a specific project, that grant money has to be spent on that project, with a bond you are going for money for multiple projects, yes there is some co-mingling.

- **Proposed Supplemental Master Resolution 2023-12 (2023 Bonds) – BRWCD Board**
Vice-Chairman DJ Bott made a motion to approve the Proposed Supplemental Master Resolution 2023-12 (2023 Bonds), seconded by Mark Larson; all members vote aye, motion passed.

Petition for water in Harper Ward- Kory Wayment and Craig Jackson

Craig Jackson (representing Kory Wayment) petitioned the Board for a possible water connection at approximately 1100 W & Hwy 38 in Harper Ward. Kory Wayment owns 70 acres at this location and is working on a development that will consist of 11 lots. They have worked with an engineer that has calculated that in order to supply water to the 11 Lots, they would need a 2-inch connection off of the District's 8-inch line either at Hwy 38 or up on 1100 West, this would then run through a 1 ½ inch meter, and leaving the meter would be a 3-inch line up to the lots in the subdivision. Craig Jackson and Kory Wayment would like the District to be the wholesale water provider. Kory Wayment has set up a water company that would assume the liability of the water once it passes through the meter and goes into the subdivision, Kory Wayment would be the retailer to the residents of the subdivision. Board Member Lyle Holmgren asked if the company would be able to meet the fire protection requirements. Mr. Jackson said they would be installing sprinkler systems in the houses; Mr. Jackson also said they were planning to put a 75,000-gal tank on site. General Manager Carl Mackley summarized that Mr. Wayment has already created a water company, and they are requesting to be a wholesale customer and the District's responsibility ends at the meter, It would then be the private water company's infrastructure and water system. Mackley has given them the developers checklist, he also informed the developers that the Board has imposed a (6) month moratorium on new connections until the District's impact fee and rate study is complete. The developers would be paying impact fees based on meter size. Board Member Brodie Calder voiced his concern of developers

cutting corners to avoid costs and the District setting a precedent for other developers to purchase wholesale water to service only the homes in their development and the District having to eventually take over small private water systems. General Manager Carl Mackley reminded the Board that the developers have been to a meeting in 2022, and the Board said they did not want their system, because they would need to put in a tank and other infrastructure and the Board felt that was not in the best interest of the District. The other alternative was to have the developer pay the impact fee on the meter size and they become a wholesale customer. Craig Jackson asked the Board if the developer meets all the requirements, will the District sell them water, they are looking for an agreement or letter of intent saying that the District has the capacity and the water to provide to the developer. After further discussion regarding retail service vs. wholesale service and the type of system that would be required for this development, Board Member Jay Capener made a motion to table this agenda item until the (6) month moratorium on water connections has expired (September 22, 2023) with the idea that the District would like to provide water to the developer, seconded by Board Member Boyd Bingham; all members vote aye, motion passed.

Priority funding of projects

General Manager Carl Mackley updated the Board on the projects for 2023-2026 and provided an updated priority list as well as the funding source for each project (General Manager Mackley provided a handout to the Board and is included as an attachment to these minutes). Mackley discussed the South Willard Well #2 project and its position on the priority list. Mackley informed the Board of the proposed development south of the South Willard LDS Stake Center, they have proposed to annex as an island into Willard City, Willard City will annex the property and provide sewer which will allow the development higher density, at that point the District will be able to collect impact fees that can be used to construct South Willard Well #2, It would make sense to put this project lower on the list of priorities as the District doesn't have a need for two wells for this system at this time. Mackley also discussed the Bothwell system improvements that can be made, paying off the bonds next year, the District will own property and assets which include 7 acres, a house and several outbuildings. The sale of any of these assets or renewal of the lease can produce revenue to support Bothwell projects. It is possible that through the implementation of the CWMP, concepts may come up related to partnering on different projects and ideas with other public and private water suppliers. The District is obligated through 2026 and is not looking to add any additional projects during that time.

Adoption of Water Management and Conservation Plan

General Manager Carl Mackley informed the Board that CIB procedures for securing the grant for \$250,000 that the District applied for as matching funds for the County Water Master Plan, requires the District to Adopt the Water Management and Conservation Plan, Bear River Water Conservancy District is on the CIB meeting agenda for August 3, 2023. Vice-Chairman DJ Bott made a motion to adopt the Water Management and Conservation Plan, seconded by Financial Chairman Charles Holmgren; all members vote aye, motion passed.

Adoption of Mitigation Plan for Pending BRWCD Applications to Appropriate

Lyle Holmgren made a motion to table the Adoption of Mitigation Plan for Pending BRWCD Applications to Appropriate, seconded by Mark Larson; all members vote aye, motion passed.

Adoption of Draft Agreement with Pack & Barnard Spring Users

General Manager Carl Mackley explained the Draft Agreement with Pack & Barnard Spring as being specific to those water right holders in the Pack & Barnard Springs, to measure and monitor the springs in coordination with gathering information to drill the non-production well. Mackley would like the Board to create a small working group composed of 4 board members, along with General Manager Mackley and Assistant General Manager Jeff Humphrey; to have a discussion with the Pack & Barnard Spring

shareholders to present those concepts prior to having a written agreement exchanged back and forth. Vice-Chairman DJ Bott made a motion to create a committee to meet with the Pack & Barnard Spring shareholders consisting of Board Members: Lyle Holmgren, Brodie Calder, Dave Forsgren, Jay Capener, Boyd Bingham, and staff members Carl Mackley and Jeff Humphrey with Jay Capener acting as the Chairman of the committee, seconded by Board Member Richard Day; all members vote aye, motion passed.

Trustees Reports

Board Member DJ Bott suggested to skip the Trustee's Report with the exception of the Chairman who chose to address the Board, and to adjust the agenda to reflect that change. The Board consented unanimously.

Chairman Dave Forsgren: Chairman Dave Forsgren informed the Board of a County Commission meeting that was held on June 21, 2023, the auditor mentioned there was \$530,000 available in ARPA funds with no recent applicants, on June 28, 2023 the BRWCD meeting was held and Board Member Boyd Bingham did not report on the ARPA money available; on the June 5, 2023 County Commission meeting, Commissioner Bingham informed the Commission of a proposal from the Local Conservation District to have a County Water Master Plan, and that discussion has taken place during Board Meetings, but it has not yet happened, Commissioner Bingham proposed that the County take over the lead on the County Water Master Plan. Chairman Dave Forsgren questioned why the Board was not made aware of the ARPA money, and why is the County involved in something the District proposed to do when it gets the funding, Board Member Boyd Bingham responded to Chairman Forsgren, by asking the Chairman and the Board to look at project funding sources one the handout provided by General Manager Mackley. ARPA funds were listed totaling \$1,287,000, there was a limit on the ARPA funds the county has had substantial requests on every ARPA fund the county has, the reason those funds have not been allocated is because they are still discussing issues, there are more requests for funds than there are funds. There have not been any appropriations but there have been requests. Board Member Bingham stated that the Commissioners are very concerned with water, and very concerned about the Conservancy District.

Project Updates – Assistant Manager Jeff Humphrey

Flat Canyon started work June 29th. We have about 1200 ft of pipe in the ground this morning, they worked all day, so it is estimated that they now have 1500 ft, they have all the pipe fused. Harper Ward Well went out for bid last week, we have a pre-bid meeting tomorrow at 11AM, 6 companies have requested and received plans. The bidding will close on August 17, 2023. We are in the process of getting the NEPA environmental assessment report back for Harper Ward, Honeyville, and South Willard.

Operations Update – Operations Supervisor Chance Baxter

•South Willard

Jeff and I have been working with UDOT concerning the future highway project in south Willard. We've had a few meetings with their design and utility locating contractors. We've analyzed their preliminary drawings. There's only one conflict with the district's infrastructure where our 12-inch ductile main crosses highway 89. They may need to loop our line due to a future storm drain line that they plan on installing with this project. We will continue to work with UDOT concerning their project. I'm hopeful that their design team makes changes to avoid looping our line in this location.

•Harper ward

Our operator Kylee Jeppesen has finished updating water meters in this system. We needed to replace the last of the old meters that didn't get completed before winter.

•Collinston/Ukon blending

We had potable divers clean and inspect both North and South tanks for us this season. The tanks are in good working order. Nothing was discovered during the inspections to be concerned about. These

tanks have not been cleaned or inspected since their construction in 2013. This Length of time is longer than I like to see. I've included both North and South tank in our tank cleaning and inspection schedule that is in place for our other tanks. Every tank should be cleaned and inspected every 3 years.

•Beaver Dam

Things have been quite eventful in beaver dam the last few months. We've had a few issues with the treatment process. I've been watching our arsenic sample results climb the last 4 quarters. Our last sample results came in just barely under the MCL. After weeks' worth of testing and speaking to the company the builds and sells the treatment equipment we decided that the filter media needed to be replaced. This would cost the district over 10k to perform. Luckily we were able to locate a plugged pipe where we inject ferric chloride for the treatment process. Once the plug was removed the treatment process returned to normal. We've sampled 3 times since the repairs have been made. All samples returned with a much lower than acceptable arsenic level.

•Tremonton Booster/ Riverside North Garland

This system has been plagued with bad luck for the last few months. We've had 3 important pieces of equipment fail on us over the last 2 billing cycles. Two of which being our two large meters that we bill from. One meter failed in May the other this last billing cycle in June. When these meters failed, they quit reading accurately causing a small loss in water revenue. One plus is the meters are still under warranty. One meter was replaced last month. The parts to repair the other should arrive shortly. The third was our communication and SCADA equipment between our Tremonton booster Location and the R&G wholesale vault. The large pot farm that was constructed between these two sites is to blame. We had to upgrade the communication equipment in the R&G Pannels for cellular communications. We had to do this same thing on almost every district site over the last year. The line of site antennas really struggle when things are built or grow between them.

•Bothwell

Everything is running well in this system. Usage is up as you'd expect it to be this time of year. Our Newman well is running nearly 20 hours per day. This is normal for this time of year. As of our June Billing "July 1st" Chanshare Farms has used 38 % of their contracted water for 2023.

•Wholesale Connections Current Usage July 2023

WCWC – 250 gpm from our Bothwell system. We've increased this 50 GPM over last month.

Tremonton Connections - Ranges from 0 to 700gpm

UKON blending. – 100 gpm. A slight decrease here due to their increased spring flows out of UKON springs.

R&G Wholesale - 80 GPM

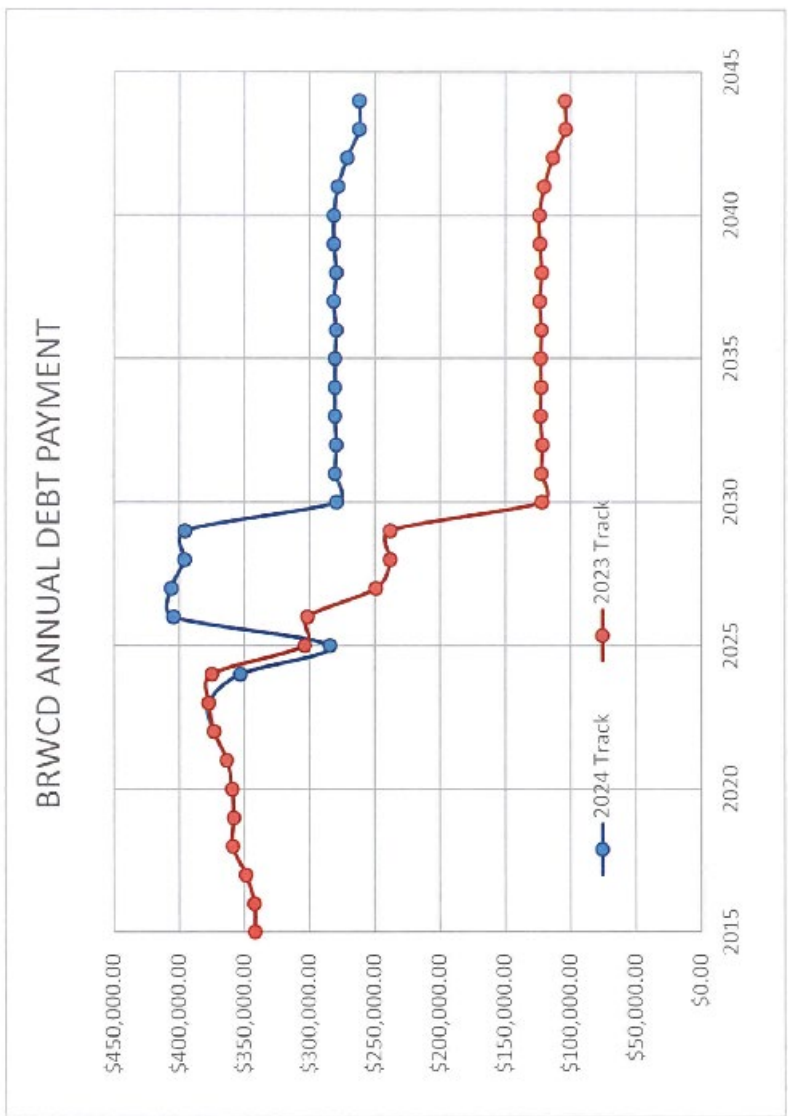
Bothwell town – 35 GPM

•New Connections Installed/Scheduled

1 service installed in the Mary Lamont subdivision.

Adjournment

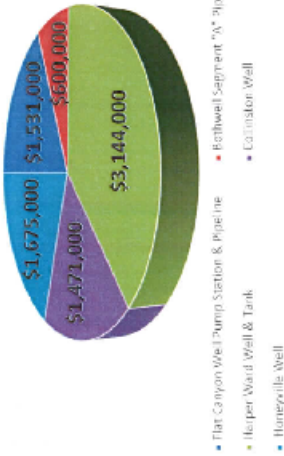
Board Member DJ Bott made a motion to adjourn, seconded by Board Member Boyd Bingham; all members vote aye, meeting adjourned at 9:00 PM



Project Priority List 2023 - 2026			
Rank	Project	Est. Cost/ Budget (\$)	Funds Used
1	Flat Canyon Well Pump Station & Pipeline	\$1,531,000	A, D
2	Bothwell Segment "A" Pipeline	\$600,000	E, F
3	Harper Ward Well & Tank	\$3,144,000	B, F, D
4	Collinston Well	\$1,471,000	C, E, F
5	Honeyville Well	\$1,675,000	A, C, E
2023 - 2026 PROJECT PRIORITY LIST TOTALS		\$8,421,000	A, B, C, D, E, F
Other	Beaver Dam Improvements	unknown	E, F
Other	South Willard Well #2	unknown	F, C
Other	Additional Bothwell Improvements	unknown	All + Assets
Other	M.P./CWMP Project Concepts	various/unknown	All

Project Funding Sources 20233 - 2026		
Fund	Description	Amount (\$)
A	American Rescue Plan Act (ARPA)	\$1,287,000
B	U.S. Bureau of Reclamation (USBR)	\$2,000,000
C	State Revolving Fund (SRF)	\$2,840,000
D	BRWCD (previous)	\$524,000
E	BRWCD (Depreciation Savings)	\$1,300,000
F	BRWCD (Impact Fees)	\$470,000
TOTAL: 2023 - 2026 Project Budget		\$8,421,000

Project Cost Breakdown



Funding Breakdown

