



BIG PLAINS WATER AND SEWER SPECIAL SERVICE DISTRICT

**BOARD OF DIRECTORS, REGULAR MEETING
1777 N Meadowlark Dr, Apple Valley
Thursday, February 11, 2021 at 6:00 PM**

MINUTES

Notice is given that a meeting of the Water District of the Town of Apple Valley will be held on **Thursday, February 11, 2021**, commencing at **6:00 PM** or shortly thereafter at **1777 N Meadowlark Dr, Apple Valley**.

Pursuant to the Executive Order issued by Governor Gary Herbert on March 18, 2020, regarding Electronic Public Meetings, please be advised that the Planning Commission Meeting will be held electronically and will be broadcast via Zoom. Persons will be allowed to comment during the meeting via Zoom or by calling in. Meeting details and dial-in phone numbers will be provided when the agenda for the meeting is published on the Town website or via <https://www.utah.gov/pmn>

Zoom Meeting ID: 835 1487 2596

Zoom Link: <https://us02web.zoom.us/j/83514872596>

Call to Order / Pledge of Allegiance / Roll Call

Chairman Merritt calls the meeting to order at 6:05 p.m. and leads in the pledge of allegiance.

PRESENT

Chairman Harold Merritt

Boardmember Dale Beddo

Boardmember Marty Lisonbee

Boardmember Jerry Jorgensen

ABSENT

Treasurer/Boardmember Ross Gregerson

Staff: Taylor Pledger, John Barlow (Virtual)

Approval of Minutes

1. BP Meeting minutes for October 1st, 2020

Motion: Moves to approve the minutes for October 1st, 2020.

Motion made by Chairman Merritt, Seconded by Boardmember Lisonbee.

Voting Yea: Chairman Merritt, Boardmember Beddo, Boardmember Lisonbee, Boardmember Jorgensen

2. Meeting minutes for August 6th, 2020

Mayor Lisonbee- Points out that there was an error on the minutes for the meeting from August 6th, 2020. It claims he said Aye on multiple votes but he was absent from that meeting also noticed there were other members listed that were not present. Recommends to make a motion on the condition the items are corrected before the final is signed.

Motion: Moves to approve August 6th, 2020 minutes under the condition the Items are corrected in the finalized minutes.

Motion made by Boardmember Lisonbee.

Voting Yea: Chairman Merritt, Boardmember Beddo, Boardmember Lisonbee, Boardmember Jorgensen

Financial Report – John Barlow

3. January Invoice Registry

Boardmember Lisonbee- Mentions he went over the report and didn't find any issues.

Motion: Moves to accept the January Invoice Registry

Motion made by Boardmember Lisonbee, Seconded by Boardmember Beddo.

Voting Yea: Chairman Merritt, Boardmember Beddo, Boardmember Lisonbee, Boardmember Jorgensen

4. Financial Statements

Motion: Moves to accept the Financial Statements.

Motion made by Boardmember Lisonbee, Seconded by Boardmember Beddo.

Voting Yea: Chairman Merritt, Boardmember Beddo, Boardmember Lisonbee, Boardmember Jorgensen

Water Superintendent Report – Dale Harris

Dale Harris: Informs the town that some recent water modeling was done on the Apple Valley and Cedar Point System. We are currently source deficient with our water modeling for the Cedar Point System. We are not producing enough water for the lots that are there right now. He recommends to no longer offer will serve letters for Cedar Point. Also mentions that we are at our storage capacity limit. Would prefer not to issue any will serve letters until we have fixed our storage capacity and our sources for Cedar Point. Mentioned we lost about 50,000 gallons a minute from Well 59. We can only get 35,00 gallons a minutes from the Cook Well. The quality of water for human consumption passed, even though the water looks red. Suggests we need the Canaan line connected to Cedar Point as soon as possible.

Board Member Beddo- The pipeline from Canaan is what you recommend as the solution and halting all Will Serve Letters?

Dale Harris- That is correct.

Chairman Merritt- Explains he doesn't see any other option than to halt the will serve letters.

Boardmember Beddo- How many current connections are out in Cedar Point?

Dale Harris- There are 100 and 18 that have already been issued will serve letters. We have no choice but to honor those connections.

Chairman Merritt- He feels we are in over our heads and it won't get better unless we can slow down our building until the pipeline comes in.

Boardmember Lisonbee- From his understanding we can use the Frank well if we get a lease.

Dale Harris- Explains he is under the impression we have to own the well.

Boardmember Lisonbee- Explains the sources he has reached out to have claimed that a lease would do just fine.

Dale Harris- We have to treat that well like any other source that we own.

Boardmember Lisonbee- And a lease laying out that we would have control of that well wouldn't suffice?

Dale Harris- No it would have to be out of access by Frank and it would have to be fenced off and secured by the town.

Boardmember Lisonbee- Expresses he will do some more research and see if this can be discussed further.

Mayor Lisonbee- Mentions that Hank from the Jepson Canyon project had previously offered to put in a temporary tank in order to start building faster. Feels the first thing we should ask Hank to start is the million gallon tank that was discussed in previous meetings.

Boardmember Beddo- Agrees that we should push for the million gallon tank.

Mayor Lisonbee- Mentions the agreement talks about offering the developer a credit on impact fees if the town is in need of more water to service the project than was originally discussed. Mentions he will be meeting with the town attorney over the weekend to clean up some of the wording in the agreement.

Engineering – Rod Mills

Rod Mills- Expresses the situation in the Town of Apple Valley has changed dramatically in the last year or two. He feels the Jepson Canyon agreement may not be an appropriate agreement based on these changes. Mentions there have already been some amendments and changes to the agreement since these issues came to light. He briefs the board on the Canaan Springs project. Mentions the contractor has finished some of the spring portion of the project. We have already processed a payment and the efforts to getting the government grant are moving along. Mentions there is only about 45 days worth of pipeline work that still needs to be done. He also mentions there has been discussion about expanding the Canaan Springs project. Expresses we are significantly underbudget on the project. There might be more issues as we continue along that might put us closer to budget, but at this point from a financial perspective we are in a very good spot. Rod brings up that they have been in discussions with Kenstal and an agreement is being discussed today. Kenstal has their own water rights in the spring and the idea is to partner with Kenstal to come up with a mutually benefiting agreement to work further on the spring. What is being discussed is an easement that would give us a better engineering route than the one we are currently planning. The agreement also provides an allocation of water once the water becomes available. The agreement further states that we will issue a will serve letter that will allocate that water up to 48 buildable units to Kenstal. There are some infrastructure issues the SSD will need to address that are not outlined in the agreement. Rod expresses that the agreement is favorable in regards to what we are getting from it.

Discussion and Action

5. Agreement with Kenstal, LLC (Property Easement)

Boardmember Lisonbee- Asks why we would be building a tank for this agreement.

Rod Mills- Explains we already have the tank; it would just need to be put in service before the end of this agreement. There is a 100,000-gallon tank that is currently not in service.

Boardmember Lisonbee- Asks if we would still have to jump through a few hoops for the state and get water modeling and other things done in order to service the units outlined in this agreement.

Rod Mills- States that is correct.

Dale Harris- We bought a 100,000-gallon tank and a 50,000-gallon tank and at that time we received a letter from the fire chief stating that he is ok with that tanks going into service. Informs the board members that once all of the springs in Canaan have been rehabilitated, we should receive about 110 gallons a minute for water.

Boardmember Beddo- Asks how many gallons of storage would you need for the 48 homes?

Dale Harris- 110,000 gallons. To be clear, fire flow is 2,000 gallons a minute for 2 hours which is a110,000 gallons.

Rod Mills- Adding additional homes does not increase the fire requirements unless the building criteria changes such as commercial buildings.

Boardmember Beddo- What is the limit of homes that can be serviced out of the 110,000-gallon tank?

Dale Harris- Expresses he could service 50-55 homes with the 110,000-gallon tank.

Boardmember Lisonbee- The will serve letter we would give out for this agreement would be for indoor water only. We can place a conservation agreement restricting people from using water for outdoor sources. The agreement also mentions BLM land, however, we have no control over what can be done on BLM land. Even if we could, he does not feel comfortable giving someone access to mess around on BLM land and effect the Town's standings.

Boardmember Beddo- Expresses he shares the same concern. He feels there is better language that could be used to arrive at an appropriate agreement regarding BLM land.

Boardmember Lisonbee- Even if we could do that, do we want to? What happens if this private party messes with BLM land and somehow affects our standings with BLM? He also mentions that he doesn't agree with the agreement stating that we agree to purchase an unallocated number of acre-feet of the springs for fair market value of \$10,000 per acre foot or fair market value, whichever is higher. He doesn't understand why the board should agree to that at all.

Boardmember Beddo- He feels the adjective of the applicant is to protect their water rights. The applicant probably feels that if the district were to crumble and sell to a third party then this part of the agreement is what will protect their rights.

Dennis Parker- States that from the beginning it has been brought to his attention that the family was not in agreement to selling the water rights to the district and they want to ensure they get an equal share of the water. They wanted to develop the springs on their own but were told they could not since the Big Plains SSD is developing it. Kendra wants to make sure she gets her fair share out of selling the water rights.

Boardmember Beddo- Expresses this is a delicate conversation and we are just trying to get a grasp on how we collectively go forward. We are happy to help come up with a solution that would help solve Kendra's issues but without it being at the expense of the town.

Mayor Lisonbee- Are there additional water rights that we haven't talked about?

Dennis Parker- Expresses that no there are no water rights that aren't on the table. The 48 rights represent the water rights from all of the springs.

Boardmember Beddo- Who owns the balance of the flowable, drinkable water?

Dennis Parker- You would get about 1/3rd of that.

Boardmember Beddo- Clarifies that if she gets 2/3rds of the water, depending on how many gallons of water we receive when springs are fully developed, she could own water rights to service an additional 50+ homes on top of what is already in this agreement.

Dennis Parker- Explains that Kendra is giving the district the water rights to then develop the springs and then give water back to her in the sum of 48 connections.

Rod Mills- Expresses that once we meet our obligations in this agreement then those water rights become deeded water rights of the district and cannot be taken back.

Boardmember Beddo- If we issue the will serve letter to her then we have in a sense bought the water at that point. So why would we agree to pay her \$10,000 for rights after that has been issued?

Dennis Parker- This gives Kendra protection in the event the district doesn't honor the 48 connections laid out in the agreement. If another district is to take over, we assume they would take over the agreement and honor the

connections, however that is not a guarantee. This ensures that if someone takes over the district and they choose not to honor the connections then Kendra is protected.

Boardmember Lisonbee- Feels the wording does not reflect that. Feels the attorney should look at the language and see if there is a better way to word it to offer protection for Kendra without compromising the district. Also recommends dropping item 2 as we cannot dictate with that BLM does.

Boardmember Beddo- Mentions on section 7 they will be taking out the \$10,000 agreement and will adjust it to be fair market value at the time of sale.

Boardmember Lisonbee- Suggest tabling this item until all of the documents are provided and the wording has been corrected.

Motion: Moves to table the agreement with Kensal, LLC until all of the documents have been provided and wording corrected.

Motion made by Boardmember Lisonbee, Seconded by Boardmember Beddo.

Voting Yea: Chairman Merritt, Boardmember Beddo, Boardmember Lisonbee, Boardmember Jorgensen

Request for a Closed Session

Adjournment

Motion: Moves to adjourn tonight's meeting.

Motion made by Boardmember Beddo, Seconded by Boardmember Lisonbee.

Voting Yea: Chairman Merritt, Boardmember Beddo, Boardmember Lisonbee, Boardmember Jorgensen

ABSENT

Treasurer/Boardmember Ross Gregerson

Meeting adjourned at 7:46 PM.

Interested persons are encouraged to attend public hearings or present their views in writing at least one day prior to the meeting.

CERTIFICATE OF POSTING: I, John Barlow, as duly appointed Administrator for the Town of Apple Valley, hereby certify that this Hearing notice was posted at the Apple Valley Town Hall, the Utah Public Meeting Notice website <http://pmn.utah.gov>, the Town Website www.applevalleyut.gov

Dated this 28th day of January 2021

John Barlow, Town Administrator

Town of Apple Valley

THE PUBLIC IS INVITED TO PARTICIPATE IN ALL COMMUNITY EVENTS AND MEETINGS

In compliance with the American with Disabilities Act, individuals needing special accommodations (Including auxiliary communicative aids and services) during this meeting should call 435-877-1190.

Date approved: _____

Chairperson

ATTEST BY: _____