



Annual Board Meeting Minutes

Wednesday March 25, 2026 @ 6:00 PM
102 West Forest Street
Brigham City, UT 84302

In Attendance: Jay Capener, Chairman
Lyle Holmgren, Financial Chairman
Boyd Bingham
Kelly Lemmon
Lesley Kendrick, Vice-Chairman
Tim Munns
Mike Braegger
Joseph Summers

Staff: Chance Baxter, General Manager
Jamie Williams, Office Manager

Presenters: Jacob Strombeck, AE2S
Chris Slater, JUB Engineering
Marcus Simons, JUB Engineering
Cody Deeter, EFG Consulting

1- WELCOME

Chairman Jay Capener called the meeting to order at 6:00 pm

2- INVOCATION & PLEDGE OF ALLEGIANCE

Vice-Chairman Lesley Kendrick

3- DECLARATION OF CONFLICTS OF INTEREST

No conflicts declared

4- CONSENT AGENDA

A- Adoption of Agenda

B- Approval of Minutes – February 18, 2026

Trustee Kelly Lemmon noted that though he had no report to give, his name was missing from the Trustee Reports section of the previous meeting's minutes (February 18, 2026), the board agreed to update the minutes to include his name. Trustee Kelly Lemmon made a motion to approve the agenda and minutes, with this correction, motion was seconded by Vice Chairman Lesley Kendrick; all members vote aye, motion passed.

5- APPROVAL OF FINANCIAL STATEMENTS – FEBRUARY 2026

Although Financial Chairman Lyle Holmgren was not present, the board proceeded to approve the financial statements for February 2026. Trustee Kelly Lemmon made the motion to approve the financials, motion was seconded by Vice Chairman Lesley Kendrick; all members vote aye, motion passed.

6- ELECTION OF OFFICERS

The board conducted its annual election of officers for 2026. Trustee Tim Munns made a motion to suspend the usual rules and re-elect the current slate of officers by acclamation: Jay Capener as Chairman, Lesley Kendrick as Vice Chairman, and Lyle Holmgren as Financial Chairman. The motion was seconded by Trustee Kelly Lemmon; all members vote aye, motion passed.

7- ACTION ITEMS

A- Audit Presentation

Mariah Reyes, representing Child Richards CPAs and Advisors, presented the annual audit report to the board. She began by confirming that the audit covered the financial statements of Bear River Water for the year ending December 31, 2025. Reyes reported that the District received a clean, unqualified opinion—the highest possible—indicating that the financial statements fairly presented the District’s financial position in all material respects, with no issues identified.

Reyes reminded the board that management is responsible for preparing the financial statements and maintaining internal controls, which are essential for preventing or detecting errors or fraud. The auditor’s role, she explained, is to provide reasonable assurance that the financial statements are free from material misstatement.

She then reviewed key financial highlights from the audit:

- Total assets and deferred outflows increased by about \$1 million.
- Total liabilities decreased by \$260,000.
- Total revenue for 2025 increased by approximately \$162,000 (about 3%) compared to the prior year, driven by an \$81,000 increase in intergovernmental revenue (grants), a \$15,000 increase in charges for services, and an \$80,000 increase in impact fees, despite a \$16,000 decrease in property tax revenue.
- Total expenses increased by \$224,000, with the largest increase in professional fees (up \$309,000), attributed to the countywide master water plan and related engineering studies.

Reyes addressed a question regarding the “weather modification” expense, clarifying that it referred to cloud seeding efforts, for which the District paid less in 2025 and received less benefit due to limited cloud cover.

She continued by summarizing the District’s net position:

- Net position increased by \$2.3 million, reflecting higher revenues, lower liabilities, and significant capital asset investments.
- The District spent about \$2.4 million on capital assets in 2025, including projects such as the Flat Canyon well, water lines, Harper Ward tank, and South Willard backup well.
- Cash balances decreased by \$297,000, accounts receivable by \$32,000, and grant receivable by \$418,000, while net depreciable assets increased by \$1.9 million.
- Accounts payable and bonds payable both decreased, indicating ongoing debt repayment.

Reyes also reviewed the audit’s compliance section. The state required the auditors to assess compliance in several areas. There was one finding: the District’s fraud risk assessment lacked documentation for certain responses, specifically regarding the requirement for a management team member to have a bachelor’s degree in accounting. Reyes recommended the District improve documentation and reassess responses as needed. She noted that management was already addressing this.

Additionally, because the District expended more than \$750,000 in federal funds in 2025 (\$923,000), a single audit was required. Reyes confirmed that the District complied with all federal requirements, with no issues found. The federal funds included a watershed grant (UASD), ARPA funds, and a USBR grant.

In closing, Reyes thanked the board and staff for their cooperation and invited questions. The board expressed appreciation for the clear and concise presentation. Trustee Mike Braegger made a motion to approve the audit report from Child Richards, motion was seconded by Trustee Boyd Bingham; all members vote aye, motion passed.

B- Baxter Land and Livestock Water Lease Extension Contract – Chance Baxter, General Manager

The board considered the extension of a water lease contract with Baxter Land and Livestock, owned by Matt Baxter. The District has been leasing water to Matt Baxter since 2010 for his property in the Bothwell Pocket. The previous contract expired at the end of 2024. After unsuccessfully attempting to purchase water rights elsewhere, Mr. Baxter requested to renew the lease under terms identical to a similar contract with another party, but for a smaller amount—specifically, 2 acre-feet per year at the wholesale rate.

The arrangement allows Mr. Baxter to use his own well, with the District transferring its water rights to that well through a change application. The water use is metered and monitored monthly. Although Mr. Baxter holds some existing water rights for limited use, he has applied for additional rights but has not yet been successful. The new contract is for up to 10 years, with the option for Mr. Baxter to exit early if he secures his own water rights, though any annual payment made is non-refundable.

The board discussed potential conflicts of interest, but since the contract was reviewed and approved in a public meeting and the general manager does not vote on the matter, no concerns were raised. Trustee Mike Braegger made a motion to approve the contract extension with Baxter Land and Livestock, the motion was seconded by Trustee Tim Munns; all members vote aye, motion passed.

C- AE2S Financial and Policy Analysis Scope and Fee – Jacob Strombeck, AE2S

Jacob Strombeck from AE2S gave a presentation to the board outlining a proposed financial and policy analysis for the District. He explained that AE2S specializes in water engineering and financial services for municipalities and Districts. The purpose of the proposed study is to assess the feasibility of using District funds to help deliver projects identified in the county water master plan.

Strombeck described a phased approach: first, AE2S would analyze the District's current finances and policies to understand available resources and spending patterns. Next, they would develop financial models to project long-term funding capacity and explore options for supporting community water projects, such as loans or grants. The study would also help establish criteria for prioritizing and ranking projects, ensuring that funding decisions are equitable and strategic.

He emphasized that the study would provide the District with a framework for budgeting and decision-making, including potential policies for annual contributions to local projects. The board discussed the benefits of having a structured process for evaluating and supporting community water needs.

Trustee Tim Munns made a motion to approve moving forward with the feasibility study, allocating up to \$20,000 to AE2S to complete the study, motion seconded by Trustee Boyd Bingham; all members vote aye, motion passed.

D- Hansen, Allen and Luce Community Grant Scope and Fee – Chance Baxter, General Manager

General Manager Chance Baxter presented a proposal from Hansen, Allen & Luce, one of the District's engineering firms, to the board for consideration. The proposal concerns assistance with compliance requirements related to a \$2 million federal grant recently awarded to the District. The grant, which was approved by Congress and is being administered through the EPA, comes with extensive regulatory and environmental compliance obligations before the District can access the funds.

Baxter explained that Hansen, Allen & Luce have specialized experience in navigating EPA grants and loans, particularly with the necessary environmental studies such as NEPA (National Environmental Policy Act) and SHPO (State Historic Preservation Office) reviews. These studies and documentation are required before the District can receive and utilize the grant money.

The specific project in question is the Bothwell-Tremonton water project. The proposal from Hansen, Allen & Luce covers all the preliminary environmental work needed for this project, including surveys and compliance documentation. The total cost for their services is \$62,241, which is expected to cover

approximately four months of work. It was noted that while Tremonton City will benefit from the project and will eventually pay significant impact fees, the responsibility for these upfront compliance costs falls to the District as the grant recipient.

Board members discussed the necessity and high cost of these compliance requirements, acknowledging that such studies are a standard prerequisite for federal funding and that similar processes have been required for past projects. It was also clarified that after the initial compliance work, ongoing reporting to the EPA would be required as the project progresses.

After discussion, the board expressed support for proceeding with the proposal. Trustee Kelly Lemmon made a motion to approve the contract with Hansen, Allen & Luce, motion was seconded by Vice-Chairman Lesley Kendrick; all members vote aye, motion passed.

8- DISCUSSION ITEMS

Secondary Water Study Presentation – Chris Slater, JUB Engineering and Cody Deeter, EFG Consulting

Chris Slater of JUB Engineering led a presentation on the District's secondary water feasibility study. He began by outlining the study's objectives, which included evaluating the potential for the District to own and operate secondary water systems in response to increasing development and requests from developers. Slater described the stakeholder engagement process, which involved meetings with the Bear River Canal Company and a roundtable discussion with representatives from other regional water entities. Key themes from these discussions included the importance of keeping irrigation water with the land, avoiding "buy and dry" scenarios, and the need for enforceable water exaction and dedication policies at the county and city levels.

Slater then reviewed three case study areas: the Richins subdivision, Summerland Ranches, and a potential wholesale arrangement with Garland. He explained the conceptual system designs for each, including the use of existing wells, the need for equalization ponds, and the infrastructure required to deliver secondary water to new developments. He also emphasized the importance of establishing clear standards for secondary water systems to ensure consistency and long-term viability.

Marcus Simons with JUB, provided additional technical details on system design and operational considerations. He discussed the challenges of matching well capacity to user demand, the need for metering, and the operational feasibility of various approaches. Marcus also addressed questions from the board regarding storage, pumping, and the practicalities of maintaining secondary systems.

Cody Deeter, who handled the financial and rate analysis portion of the presentation, presented a detailed review of the projected costs for each case study system. He explained that the financial models assumed developers would install the infrastructure, with the District responsible for ongoing operation and maintenance. Deeter outlined the projected monthly rates for users in each scenario, noting that costs would vary based on lot size and system design. For example, the Summerland Ranches scenario, with larger lots, would result in a higher monthly fee per user but a lower cost per irrigated acre compared to smaller-lot subdivisions. He also discussed the importance of building cash reserves for system maintenance and replacement, and the need for tiered rate structures to encourage responsible water use.

The board engaged in a discussion about the feasibility and challenges of implementing secondary water systems. Topics included the impact of secondary water requirements on development costs, the need for standardized policies and design criteria, and the importance of ensuring that water rights remain with the land. Board members also discussed the potential for secondary systems to slow development and preserve agricultural land by increasing the cost and complexity of new subdivisions. The board did not take formal action, as this was a discussion and guidance item, but there was clear support for moving forward with the next steps identified in the study.

9- 2025 ANNUAL REPORT OF ACTIVITIES

General Manager Chance Baxter presented the District's annual report to the board. He explained that the report was compiled using meeting minutes and manager's reports from the previous year, providing a comprehensive overview of the District's activities, challenges, and accomplishments.

Baxter highlighted that 2025 had been a particularly busy and challenging year for the District, with significant progress made on several major projects. He noted the completion and ongoing work on key infrastructure, such as the Harper Ward tank and pump house, although there had been delays with contractors and the state's permitting process. Baxter expressed some frustration with the extended timeline, noting that the contractor was nearly 100 days into liquidated damages.

He also acknowledged the efforts of the District staff, emphasizing that the successes of the past year were the result of teamwork and dedication. Baxter thanked the board for their support and recognized the importance of maintaining transparency and accountability in District operations.

Baxter concluded his report by inviting questions from the board and reiterating his appreciation for the staff's hard work and the board's ongoing support. The board thanked Baxter for his leadership and the comprehensive report, noting the District's achievements and the challenges overcome during the year.

10- PUBLIC COMMENT

No public comment

11- TRUSTEES REPORT

Trustee Discussion

General Manager Chance Baxter informed the board that the District had gone through four different custodial service providers in the past two years, with the most recent provider failing to perform their duties. As a result, Baxter and his family had been handling the cleaning themselves without compensation. He proposed continuing to provide janitorial services as a paid contractor, noting that the previous service was paid \$800 per month, while he and his family were now spending significantly more time on the task. Baxter clarified that he would be paid as a 1099 contractor, separate from his regular payroll. The board discussed the arrangement and expressed no objections, provided Baxter would let them know if it became too burdensome.

Lesley Kendrick

No report

Lyle Holmgren

No report

Mike Braegger

No report

Riggin Holmgren

Absent

Brian Shaffer

Absent

Kelly Lemmon

Trustee Kelly Lemmon reported to the board that a meeting had been held with independent private water companies in the county. Out of 23 companies, five attended. The District's lobbyist, Shul Bishop, provided updates on recent legislative activity, focusing on a proposed bill that would require private water companies to raise their rates based on median household income. Although the bill did not pass this session, it is expected to be reintroduced in the future and could become mandatory, especially for companies seeking grants or outside funding. Lemmon noted that the meeting was productive, with attendees engaged and interested in future discussions.

Joe Summers

No report

Ryan Smith

Absent

Tim Munns

No report

Boyd Bingham

No report

Jay Capener

No report

12- ADJOURNMENT

Trustee Boyd Bingham made a motion to adjourn; motion seconded by Trustee Tim Munns; all members vote aye. Meeting adjourned.