



# BIG PLAINS WATER SPECIAL SERVICE DISTRICT PUBLIC

## HEARING AND MEETING

BOARD OF DIRECTORS, REGULAR MEETING

1777 N Meadowlark Dr, Apple Valley

Thursday, August 10, 2023 at 6:00 PM

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## MINUTES

**Chairman** | Barratt Nielson

**Board Members** | Frank Lindhardt | Harold Merritt | Ross Gregerson | Andy McGinnis |

**CALL TO ORDER**- Chairman Nielson called the meeting to order at 6:00 p.m.

**PLEDGE OF ALLEGIANCE**

**PRAYER**- Prayer offered by Board Member McGinnis.

**ROLL CALL**

**PRESENT**

Chairman Barratt Nielson

Board Member Frank Lindhardt

Board Member Harold Merritt

Board Member Ross Gregerson

Board Member Andy McGinnis

Town Staff/Other Present

Town Clerk/ Recorder Jenna Vizcardo

Town Administrator Jauna McGinnis

District Attorney Ben Ruesch

**DECLARATION OF CONFLICTS OF INTEREST**

None declared.

**PUBLIC HEARING**

Nate Wallentine with Sunrise Engineering is present to do a presentation on the Culinary Water Master Plan. He commented that he is grateful to have worked with the Board and had the Board's input throughout the whole process. He explained the Apple Valley/Big Plains is over three individual water systems, most cities and towns have just the one system. The three systems, Apple Valley Proper, Canaan Springs and Cedar Point were analyzed individually. Each system uses a different amount based on water usage. Apple Valley Proper area is using 339 gallons per day on average which is below the state average. Canaan Springs is using 771 gallons per day on average and that is over the state average. Cedar Point is 677 gallons per day on average. The state code is 400 gallons per day and 800 gallons per day at peak. The basis of study is to look at what the usage is currently and based on state code, do we have areas that aren't meeting state code for pressure, storage, source, water rights, and is our current method of treatment acceptable. For the water rights for Apple Valley, what we have is like a water bank and so the bank can be used for any systems. The total water rights owned are 597.2-acre feet of water. Based off current usage and having that amount trend out for the next 20 years, we found that around 2038, Big Plains will need to have additional water rights to keep up with the projected demand that we are expected to have. The source capacity for each of the systems is the next thing looked at. Apple Valley Proper has 2 wells that produce enough source, that in the projected amount of time 20 years, you're going to be good on your source. Canaan Springs we are currently good with our source capacity but we're going to not have enough source capacity come 20 years. For the Cedar Point system, we are in a current deficit and that is something Big



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Plains is working on actively. We are going to need additional source capacity for Cedar Point and are currently working on that and a plan to get more source. The storage capacity in the Apple Valley Proper area is forecasting we are going to be short of our storage amount that we need come 20 years. The pressure up on the hill is not adequate to meet current fire flow for a specific area on the hill at the highest part next to the tank. One of the recommendations is to put the tank up higher so we can get pressure that's needed to meet fire flow and state code pressure for peak day demand up on the hill. For Canaan Springs in 20 years, we do show there will be a storage deficit, so there's a proposed tank for that area. Cedar Point currently has enough storage for the 20-year timeframe, so no recommendations were made for storage capacity. Also, no treatment recommendations. There are some issues in the Cedar Point area that we're currently fixing, working on that with the blending agreement so we are within State code for what they will allow for certain contaminants. The distribution system overall when you get a lot of water flowing through the pipelines has a lot of friction to it which decreases the amount of pressure that you'll have at certain areas throughout the system. What is tested is how the pressure is on the average day in different seasons and if the systems are going to meet State code during those different scenarios. Throughout there were areas that didn't meet the pressure requirements and recommendations to either upsize pipe or loop the pipes for each of the systems. Once those are put in based on future demands they will all meet State code. The plan outline is a roadmap for the next 20 years of what will need to happen to maintain being within the State code and what we need to do currently to get us there. The last recommendation is to have the three systems connected and by doing so you get flexibility with your source, storage, and other things. The reason we have impact fees is when new growth comes into the system, they put a burden on the existing system. What you don't want to do is have somebody that's already living in town have to pay for additional improvements to help the people that are moving into town. An impact fee is put into place to say okay since you're moving in, we must have more tanks or water rights, so you're going to need to pay for that amount. Based on all the improvements, an impact fee eligible calculation was done for different items. The impact fee is calculated to make improvements over the next 15 years. We are projecting, with all the new improvements, the connections would bring around 9 million dollars and predict that is going to be based off 640 new connections and that divided out is \$17,788 per connection for residential. The commercial user impact fee is outlined on page 52 of the Culinary Water Master Plan when a bigger meter size is needed.

**1. Public Hearing:** Culinary Water Master Plan, Resolution-BPW-R-2023-09.

Chairman Nielson opened the public hearing.

Mike Farrar, 900 Mountain Dr. Couple questions and couple statements. Take this for what it's worth. I don't see any reason to have a water rate increase, suggestion raise impact fees to maximum based on debt and infrastructure. Looking at Canaan Springs, is this something we should be talking about another water tank and having developers help.





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Mike Barrett, 1749 E 2260 S. Clarification on page 16 table 1111.61 are you assuming every equivalent ERU is an acre foot in your study. You have a little bit of a math discrepancy; you're assuming that every ERU is an acre foot and this is probably directed at Sunrise for clarification.

Nate Wallentine with Sunrise Engineering commented on the way that we calculate if you need additional water rights is based off the system usage. It's not necessarily based on the one-acre foot per ERU. Water rights are based on the source that's used and it's not necessarily based off the number of connections, we assume a value per connection, but we don't assume it's one acre foot. It's not calculated off an acre foot, it's calculated from the gallons per minute on average that each home uses.

**MOTION:** Board Member McGinnis motioned to close the public hearing.

**SECOND:** The motion was seconded by Board Member Merritt.

**VOTE:** Chairman Nielson called for a vote:

Board Member Merritt - Aye  
Board Member Gregerson - Aye  
Board Member McGinnis - Aye  
Board Member Lindhardt- Aye  
Chairman Nielson - Aye

The vote was unanimous and the motion carried.

## DISCUSSION AND POSSIBLE ACTION

- 2. Discussion and Possible Action:** Consider Approval of Culinary Water Master Plan, Resolution-BPW-R-2023-09.

Board Member Merritt commented the District is going to be responsible for 11 million dollars of debt and important part to know is very little of this is urgent right now. But as developer comes on the scene, if the developers are going to create the need they need to create a solution. We should approach things with the underlying tone if you are going to do something you better be prepared to pay for it. Board member Gregerson asked about the mechanics of the Culinary Water Master Plan.

Town Administrator Jauna McGinnis asked the question where it shows what percentage we can use for our current debt. It was reviewed that 52% can be used for current debt service.

Board Member Lindhardt commented we don't have a need for more water rights and that we need cash in the bank account now. The Board discussed collecting 100% of impact fees.

**MOTION:** Board Member Lindhardt motioned that we approve Resolution-BPW-R-2023-09.

**SECOND:** The motion was seconded by Board Member McGinnis.



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**VOTE:** Chairman Nielson called for a Roll Call vote:

Board Member Merritt - Aye  
Board Member Gregerson - Aye  
Board Member McGinnis - Aye  
Board Member Lindhardt- Aye  
Chairman Nielson - Aye

The vote was unanimous and the motion carried.

- 3. Discussion and Possible Action:** Consider Approval of DWSP and PER's contract for funding. Inform the board we got the grant and approve this contract.

Chairman Nielson explained this is the agreement for the revised protection zone and preliminary evaluation report with Sunrise Engineering for the Jessop well, Well 59 and the New Cooke well. This is paid all by the grant of \$32,500. This agreement has been signed by Barratt Nielson. District Attorney Ben Ruesch clarifies any board member can vote no.

**MOTION:** Board Member Merritt motioned that we approve the approval of the Chairman approving the grant contract for funding.

**SECOND:** The motion was seconded by Board Member Lindhardt.

**VOTE:** Chairman Nielson called for a vote:

Board Member Merritt - Aye  
Board Member Gregerson - Aye  
Board Member McGinnis - Aye  
Board Member Lindhardt- Aye  
Chairman Nielson - Aye

The vote was unanimous and the motion carried.

- 4. Discussion and Possible Action:** Consider Approval of Amending the District Employee Handbook Manual, Resolution-BPW-R-2023-10.

Town Administrator Jauna McGinnis commented amending the amount of money for travel per diem and removed sewer reference.



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**MOTION:** Board Member Gregerson motioned that we approve BPW-R-2023-10.

**SECOND:** The motion was seconded by Board Member McGinnis.

**VOTE:** Chairman Nielson called for a Roll Call vote:

Board Member Merritt - Aye  
Board Member Gregerson - Aye  
Board Member McGinnis - Aye  
Board Member Lindhardt- Aye  
Chairman Nielson - Aye

The vote was unanimous and the motion carried.

5. **Discussion and Possible Action:** Consider Approval of Amending the Policy and Procedures Manual, Resolution-BPW-R-2023-11.

Town Administrator Jauna McGinnis asked question to District Lawyer Ben Ruesch, in our fee schedule we say the amount will be \$6,000 according to the district recently adopted culinary water master plan, is that needed to be in the amendment. District Lawyer commented the calculations were considered and he doesn't see a reason to include that acute.

It was discussed amongst the Board and Town Administrator to make changes on page 2 and 7 of the amendment in the agenda packet. On page 2, Section 3 and page 7 last paragraph, after bought-in, delete "according to the District's most recently adopted Culinary Water Master Plan" and "the established rate." After bought-in, add "6,000.00." That sentence will read "Depending on whether the District owns sufficient municipal water rights to supply the proposed development and existing customers, one (1) acre foot of municipal category water rights must be bought-in at \$6,000.00 per connection or deeded to the District in lieu of the buy-in."

Discussed on page 1, page 2, page 6, and page 7 before depending, add "At the District's discretion and." The final sentence will read "At the District's discretion and depending on whether the District owns sufficient municipal water rights to supply the proposed development and existing customers, one (1) acre foot of municipal category water rights must be bought-in at \$6,000.00 per connection or deeded to the District in lieu of the buy-in."

**MOTION:** Chairman Nielson motioned that we approve Resolution-BPW-R-2023-11 with following changes on page 2, section three and at the beginning of that we add "At the District's discretion" and then the words that are there depending on whether. And then we strike out after bought-in you strike out "according to the District's most recently adopted Culinary





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Water Master Plan” at and then we strike out “the established rate” I crossed it out so I can’t read it and insert “\$6,000 per connection” right there. And then going down to page 6 the part where we added the word “At the District’s discretion” and then we strike out “according to the District’s most recently adopted Culinary Master Plan currently” strike out and then on page 7 right above the table there we’re going to strike out “according to the District’s most recently adopted Culinary Water Master Plan currently”. At the beginning of that paragraph, we’re going to add “At the District’s discretion.” On page 7 where we have the impact fee table there, we need to update that to the fees in Resolution-BPW-R-2023-09.

**SECOND:** The motion was seconded by Board Member Lindhardt.

**VOTE:** Chairman Nielson called for a Roll Call vote:

Board Member Merritt - Aye  
Board Member Gregerson - Aye  
Board Member McGinnis - Aye  
Board Member Lindhardt- Aye  
Chairman Nielson - Aye

The vote was unanimous and the motion carried.

**6. Discussion and Possible Action:** Consider Approval of Audit Engagement Letter.

Town Administrator Jauna McGinnis explained annually the district must have an audit completed. With an audit it does cost more, up to \$18,500 and does not exceed \$18,500. Board Member Lindhardt went out to see about the cost of an audit and is very close to what we were quoted and it’s right in the ballpark of what audits cost everywhere. It's going to go lot smoother that in the past is what Town Administrator Jauna McGinnis is hoping. They are going to start the audit in November and complete it by the end of December.

**MOTION:** Board Member Lindhardt motioned to approve the Audit Engagement Letter with Hinton Burdick.

**SECOND:** The motion was seconded by Board Member McGinnis.

**VOTE:** Chairman Nielson called for a vote:

Board Member Merritt - Aye  
Board Member Gregerson - Aye  
Board Member McGinnis - Aye  
Board Member Lindhardt- Aye  
Chairman Nielson - Aye



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The vote was unanimous and the motion carried.

**7. Discussion and Possible Action:** Consider Approval of Fraud Risk Assessment for FY2023.

Town Administrator Juana McGinnis discussed the fraud risk assessment. What's hurting us with this fraud risk assessment is that we don't have that formal internal audit committee to do things. It was discussed that we will go to low category with CPA and getting 40 hours of formal training. The only part that would get us into the very low would be the internal audit function, internal audit committee and fraud hotline.

**MOTION:** Board Member McGinnis motioned we approve Fraud Risk Assessment for Fiscal Year 2023.

**SECOND:** The motion was seconded by Board Member Merritt.

**VOTE:** Chairman Nielson called for a vote:

Board Member Merritt - Aye  
Board Member Gregerson - Aye  
Board Member McGinnis - Aye  
Board Member Lindhardt- Aye  
Chairman Nielson - Aye

The vote was unanimous and the motion carried.

**CONSENT AGENDA**

- 8. Disbursement Listing for June 2023.
- 9. Budget Report for Fiscal Year 2023 through June 2023.
- 10. June 2023 Water Usage Comparison Summary.

The water usage was discussed amongst the Board and overall usage is being conserved. Chairman Nielson thanked the community for their help in conserving water recently so we could fix the pump.

**MOTION:** Board Member Gregerson motioned that we approve the following three resolutions BPW June 2023 Disbursement Listing, the BPW June 2023 Budget Report, and the June 2023 water usage comparison.

**SECOND:** The motion was seconded by Board Member McGinnis.

**VOTE:** Chairman Nielson called for a vote:



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Board Member Merritt - Aye  
Board Member Gregerson - Aye  
Board Member McGinnis - Aye  
Board Member Lindhardt- Aye  
Chairman Nielson - Aye

The vote was unanimous and the motion carried.

### APPROVAL OF MINUTES

11. Minutes: June 14, 2023.

**MOTION:** Board Member Lindhardt motioned that we approve minutes from June 14, 2023.

**SECOND:** The motion was seconded by Board Member Gregerson.

**VOTE:** Chairman Nielson called for a vote:

Board Member Merritt - Aye  
Board Member Gregerson - Aye  
Board Member McGinnis - Abstain  
Board Member Lindhardt- Aye  
Chairman Nielson - Aye

The vote was four aye and one abstain and the motion carried.

### REQUEST FOR A CLOSED SESSION: IF NECESSARY

No request.

### ADJOURNMENT

**MOTION:** Board Member Merritt motioned to adjourn the meeting.

**SECOND:** The motion was seconded by Board Member Gregerson.

**VOTE:** Chairman Nielson called for a vote:

Board Member Merritt - Aye  
Board Member Gregerson - Aye  
Board Member McGinnis - Aye





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Board Member Lindhardt- Aye  
Chairman Nielson - Aye

The vote was unanimous and the motion carried.

The meeting was adjourned at 7:36 p.m.

Date Approved: 9-13-23

Approved BY: [Signature]  
Chairman | Barratt Nielson

Attest BY: [Signature]  
Recorder | Jenna Vizcardo

