



Our Water. Our Future. Our Choice.

The purposes of the District include planning for and facilitating the long-term conservation, development, protection, distribution, management and stabilization of water rights and water supplies for domestic, irrigation, power, manufacturing, municipal, recreational and other beneficial uses, including the natural stream environment, in a cost-effective way to meet the needs of the residents and growing population of Cache County.

www.cachewaterdistrict.com

CACHE WATER DISTRICT BOARD OF TRUSTEES MEETING MINUTES November 9, 2020

The Cache Water District Board of Trustees convened for a regular meeting at the Cache Events Center located at 450 South 500 West, Logan, UT 84321

MEMBERS OF THE BOARD IN ATTENDANCE:

Max Pierce – North Council District
Kirt Lindley – At-Large Position
Scott Clark - Logan #2 Council District
David Erickson – At-Large Position
Don Baldwin – Agricultural Representative
Herm Olsen – Logan #3 Council District
Jonathan Hardman – South Council District
Jeannie Simmonds – Logan #1 Council District

MEMBERS OF THE BOARD ABSENT:

Bret Randall – Northeast Council District
Jared Clawson – At-Large Position
Shaun Dustin – Southeast Council District

OTHERS IN ATTENDANCE:

Nathan Daug (Manager), Chris Slater, Janell Johnson, Bret Roper, Chad Brown, Wayne Wurtsbaugh, Debbie Zilles

CALL TO ORDER

The meeting was called to order by Chairman Hardman at 5:30 p.m.
Consideration for the minutes from October 5, 2020 and the agenda for November 9, 2020

ACTION: Motion by Mr. Erickson to approve the agenda and the minutes as submitted. Seconded by Ms. Simmonds. The motion was approved unanimously.

PUBLIC COMMENT

None

FINANCIAL REPORT

See [-Attachment 1-](#)

Ms. Simmonds noted that the Total Liabilities & Equity amount is the current checking account balance. The Credit Card line shows a negative balance, which is due to refunds from conferences that had been prepaid. The budget is doing well.

Mr. Daugs confirmed for Chairman Hardman that the Water Master Plan will be all paid this month.

Ms. Simmonds said she will have an expanded format available for the next meeting to carefully review before the budget is officially approved. She is amenable to providing alternate formats each month if the Board desires.

CALENDAR EVENTS

- Nov. 4 – Great Salt Lake Advisory meeting was held.
- Nov 13 - Ag Water Advisory Board Meeting – Mr. Daugs will send out a zoom link
- Dec 19 - Water Task Force Meeting

The Crockett Project will have a kick-off meeting soon to begin scheduling public outreach meetings.

Chairman Hardman reminded members that next month's meeting will be a final vote on the 2021 budget and the January meeting will swear in the newly elected members as well as an annual change of leadership.

MANAGER'S REPORT

Update on PL 566 Applications

Crockett – the contract for \$600,000 was signed with J-U-B and Franson Civil Engineers and will begin moving forward with the Environmental Assessment. The funds are reimbursable (the District will pay the monthly bill and submit a request for reimbursement from NRCS) for the next 24 months (the length of the contract). He noted that everything has been pre-authorized so there should be no delays with reimbursements. \$400,000 has been added to the 2021 budget, the remainder will be included in the 2022 budget. The first phase of the project is to schedule public outreach meetings/information gathering and begin putting together a preliminary plan. The goal is to begin with public outreach next month.

Wellsville-Mendon – still no word on approval. There were eight projects from the state submitted. There may be no approvals made until 2021. If approved, the budget will have to be re-opened with a new line item created. This is estimated to be an 18-24-month project.

Chairman Hardman asked if there are any other groups that are starting to look at applying. Mr. Daugs said Cub River (Idaho) was approved for one and Cache County was looking at submitting one but combined with the Wellsville-Mendon application. North Logan is considering a potential future submission. Chairman Hardman pointed out that it is likely to become more competitive. Mr. Daugs agreed and said there is anticipation for funding to substantially ramp over the next few years.

Water Banking

Mr. Daugs has been meeting with local companies and south Cache water users (Hyrum, Porcupine Highline and Paradise) who will then begin meeting with Emily Lewis to move forward.

District Vehicle Update

Ms. Simmonds will provide information at the next meeting.

APO REPORTS

Irrigation Delivery Efficiencies – Mr. Lindley reported that they have begun talking about getting something off the ground to help work with irrigation companies, possibly helping with seepage loss studies. Developing a ranking guideline and protocol format for projects was discussed. There may need to be different categories developed.

The next APO subcommittee meetings for Multi-Jurisdictional Secondary Water (Max, Scott, Kirt) & Water Banking (Scott, Don, Kirt) will be delayed due to updated Governor’s Order for reduced meetings and will begin again in January. Mr. Clark suggested that each member does some research into the areas they are assigned to until APO meetings begin in January.

Mr. Daugs noted that the engineering group (senior project) working on the Temple Fork Dam Site met recently for a field trip of the area.

Ms. Simmonds asked about any upcoming legislative matters. Chairman Hardman heard at a recent convention that it might be a quieter year regarding water legislature. Mr. Daugs anticipates that water audits might be back this session. Mr. Clark said the secondary metering bills might also be part of the discussion. Mr. Daugs said they are tweaking some of the legislation about cities/communities meeting with irrigation companies before development (providing more notice to allow for more time to respond).

PUBLIC HEARING – PROPOSED TAX INCREASE

6:00 p.m. Public Hearing Opened

Mr. Daugs outlined the proposed 2021 Budget as presented:

Income		Taxes		\$ 275,000
		PL-566		\$ 400,000
Transfer from reserves				\$ 200,000
Expenses				

	Personnel			
	Salary + Benefits		\$ 130,000	
	Vehicle		\$ 50,000	
	Fuel		\$ 2,500	
	Travel		\$ 5,000	
	Attorney Services		\$ 30,000	
	Financial Services		\$ 10,000	
	Audit		\$ 7,000	
	Total Personnel			\$ 182,000
	Outreach			
	Conservation Programs		\$ 25,000	
	Dues		\$ 2,500	
	Training		\$ 6,000	
	Website		\$ 2,000	
	Sponsorships		\$ 2,500	
	Insurance/Bonding		\$ 5,000	
	Total Outreach			\$ 43,000
	Office			
	Publications		\$ 5,000	
	Technology		\$ 3,000	
	Rent		\$ 5,500	
	Office Supplies		\$ 1,500	
	Total Office			\$ 13,000
	Project Funding			
	Cloud Seeding		\$ 50,000	
	Water Studies		\$ 150,000	
	Water Purchases		\$ 37,000	
	Crockett Project		\$ 400,000	
	Total Project Funding			\$ 637,000

- Will be reimbursed by NRCS funds

Mr. Daugs pointed out the addition of Vehicle costs for a potential District vehicle, which will be less costly than mileage reimbursement for his personally owned vehicle. \$10,000 from the Conservation Programs will go toward funding the Slow the Flow Campaign, which the District is contracted to continue for the next four years, some of the other funds will go to continue the Summer Irrigation Checks. The Website funding will be adequate to also take care of the Crockett website. The District will continue to negotiate with the County on office rental cost. The District now contracts with North American Weather Consultants for Cloud Seeding. Funds have been set aside as a line item for Water Purchases; there is no anticipated scenario, but the Board felt that if a critical opportunity were to arise, funds would be available to use (would require a special meeting and approval). The Crockett project of \$400,000 included in the budget will be reimbursed by NRCS. He pointed out that Cache County will be reducing taxation by \$275,000 and the District will begin taxing at that same rate (tax neutral).

Wayne Wurtsbaugh asked about the \$150,000 for Water Studies and how that was determined. Mr. Daugs said there are not currently detailed projects or amounts, this allows for funding if a project requires it, without the need for re-opening the budget. It could be possible that these funds may not be used. Chairman Hardman said it could include things such as studying the gaps in Snotel sites, aquifer storage recovery, water banking, or other projects. Ms. Simmonds pointed out that a project would have to meet a goal within the Water Master Plan.

John Hauptman asked how many employees the District has. Mr. Daugs said there is one full-time employee.

Janell Johnson, a Logan resident, said she supports the Water District and shared the following submitted statement:

"I have documentation for our property taxes since 2003. From 2005 to 2017, the tax amount we were required to pay stayed pretty consistently within \$150, give or take depending on the year. Between 2009 and 2017, though home values steadily dropped, the tax rates were raised just enough to maintain the budget at the rate the county was used to receiving. Now, I understand that we are paying for county services and all the associated wages, and that's fine. I get adjusting taxes to meet the needs. This proposed increase is to fund the Cache Water District, which has been funded by the County budget for the last 4 years while operating in the black. I understand that the County is decreasing their taxes for the next year to equal the amount picked up by the water district.

But here's the issue that have with any tax increase. Since 2018, home values have risen dramatically, and in just three short years the value of our home has increased around \$100,000. Now, according to these tax records, the increase for 2020 was a mere 1.3%. That doesn't sound like a huge increase, and on paper it's not. But the reality is, with the reassessed valuation of our home, it's actually a massive 27.75% increase over what we paid out of pocket in 2019. In my book, that's a heavy tax burden.

These new values do not reflect the income of most Cache County households. Home values may have gone up \$100,000 but incomes have not. Most residents won't see any of that increase until they sell the property.

Near us are 60 homes built within the last 25 years. Those homes were purchased by retired individuals, most on fixed incomes. Now their homes are being revalued at \$100,000 or more than they paid for it, the resulting out of pocket taxes increased last year by nearly 27%, yet their incomes have stayed the same. Landlords are raising their rents to meet the demands of the increase in taxes due to revaluation. That's a heavy burden for low-income families, whether they are buying or renting.

If most people in the county have received reassessed home value increases like we have seen this last year, then it would follow that the county should have a huge surplus in their coffers. Did the budget really call for a 27% increase to make it this year?

In a year like 2020, it would seem like the people need a tax break, not an increase. People have lost jobs and been sick. The federal government has been attempting to give relief, so why on earth would Cache County raise its taxes 27%?

I urge you to look at the books, see where budgets can be adjusted and reduced so that the citizens don't bear such a heavy tax burden."

Brett Roper shared the following submitted statement:

"I have a couple of questions to help me understand the overall intent and authority of the proposed tax increases given the commitments made in resolutions presented in the run up to creating the Cache Water District four years ago.

The first question involves the following statement from this resolution; WHEREAS, the proposed local district will have taxing authority, but will not implement the authority until a majority of the board of trustees of the district are officials elected by the voters.

My memory of these discussions in 2016 was the public did not want unelected officials to raise taxes. The question is, does the Water District have the authority to vote on questions related to taxation before January 1, 2021, when the majority of the trustees will have been elected?

The second question involves the following statement from these resolutions; WHEREAS, the Cache County Council intends to reduce the portion of the County-wide property tax that is utilized for the water development by an amount equal to any property tax imposed by the new district.

Again, my memory of this discussion in 2016 was the public did not want to be double taxed once the water district was formed. To address this concern, has the Water District reached out to Cache County to request, in writing, what they intend to do with the tax dollars that had funded the water district after the district was capable of taxing on its own?" (Quotations from Logan City Resolution No. 16-15)

MOTION: Mr. Erickson moved to close the public hearing portion of the meeting at 6:25 p.m. Mr. Lindley seconded the motion. **The motion was approved (8-0).**

Aye: Baldwin, Clark, Erickson, Hardman, Lindley, Olsen, Pierce, Simmonds

Nay:

Absent: Clawson, Dustin, Randall

RESOLUTION ADOPTING FINAL TAX RATES & BUDGETS – REPORT 800 C

Ms. Simmonds asked if this is done by mill levy. Mr. Daug's said that will be calculated out.

Mr. Erickson said tax increases hurt everyone, however, services are needed, and they cost money. The Water District is a critical organization, especially with future concerns in the Valley. The comment about having a letter from the County indicating they will lower the amount to avoid double taxation is already built into the County's budget. The 27% mentioned by Ms. Johnson would have to be built into the County budget or there would be a windfall of money, but that cannot be done with Truth in Taxation, which is what this public hearing is. The County will not have an increase in their budget, if there were to be a change, a notice would be sent out. He pointed out that most of the tax increase in the County goes to schools and education. The reason for this format is for the Water District to become independent of the County and be run by elected officials. This organization has been a good example for the State and Special Districts for organizing a board. Many other districts are appointed (rather than elected). With elected officials, the District is represented Valley wide and will be quite frugal with finances.

**Resolution Adopting Final Tax Rates and Budgets
Report 800C - Calendar Year Entities**

Form PT-800C
pt-800C.xls Rev. 5/2018

County: Cache Year: 2020

It is hereby resolved that the governing body of (entity name): Cache Water District

approves the following additional property tax revenue(s) for the year: 2021

1 Fund/Budget Type	2 Additional Revenue Above the Certified Rate Revenue
<u>Cache Water District Operating Budget</u>	<u>\$ 275,000</u>
Total	<u>\$ 275,000</u>

This resolution is adopted after proper notice and hearing in accordance with UCA 59-2-919 and shall be forwarded to the County Auditor and the Tax Commission in accordance with UCA 59-2-913 and 59-2-920.

Signature of Governing Chair
 Signature: [Signature] Date: 11-9-2020
 Title: Cache Water District Chairman

MOTION: Mr. Erickson moved to accept the Resolution Adopting Final Tax Rates and Budgets for 2021 as presented in Report 800C at \$275,000. Mr. Clark seconded the motion. **The motion was approved (8-0).**
Aye: Baldwin, Clark, Erickson, Hardman, Lindley, Olsen, Pierce, Simmonds
Nay:
Absent: Clawson, Dustin, Randall

ADJOURN

The meeting adjourned at 6:47 p.m.

-Attachment 1-

**Cache Water District
Profit & Loss Budget vs. Actual
September through October 2020**

**Cache Water District
Profit & Loss Budget vs. Actual
September through October 2020**

	<u>Sep - Oct 20</u>	<u>Budget</u>	<u>% of Budget</u>
Project funding			
ASR Studies	0.00	4,166.66	0.0%
Bear River Development	0.00	833.34	0.0%
Cloud Seeding	0.00	8,666.66	0.0%
Secondary Irrigation	0.00	4,166.66	0.0%
Seepage Loss Studies	0.00	0.00	0.0%
Water Master Plan	200.00	1,666.66	12.0%
Water Studies			
Water Banking	0.00	1,666.66	0.0%
Water Studies - Other	0.00	8,333.34	0.0%
Total Water Studies	<u>0.00</u>	<u>10,000.00</u>	<u>0.0%</u>
Total Project funding	<u>200.00</u>	<u>29,499.98</u>	<u>0.7%</u>
Total Expense	<u>14,400.26</u>	<u>75,083.96</u>	<u>19.2%</u>
Net Ordinary Income	<u>-14,400.26</u>	<u>-75,083.96</u>	<u>19.2%</u>
Net Income	<u><u>-14,400.26</u></u>	<u><u>-75,083.96</u></u>	<u><u>19.2%</u></u>

Cache Water District
Summary Balance Sheet
As of October 31, 2020

	Oct 31, 20
ASSETS	
Current Assets	
Checking/Savings	497,492.67
Accounts Receivable	-50.00
Total Current Assets	497,442.67
TOTAL ASSETS	497,442.67
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	-6.00
Credit Cards	-213.43
Total Current Liabilities	-219.43
Total Liabilities	-219.43
Equity	497,662.10
TOTAL LIABILITIES & EQUITY	497,442.67

