

# Beeline Project

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## Meeting Details

- Brooklyn Special Service District meeting on 12-2-5, 35 at the Elksmoor Town hall.
- Attendees: Brett White, Tyler Monroe, Cody Hanson, Scott Hansen, Ralph Brown, Malcolm Nash, Parker, Cody Olson, and Matt Dyer (arriving in 5 minutes).

## Minutes Review

- Minutes from the previous meeting were reviewed.
- Malcolm emailed the minutes out prior to the meeting.
- Corrections needed: "bee line" instead of "B line" on page two and other clerical errors on page five.
- Motion to accept the minutes was moved and seconded; motion carries.

## Beeline Bids Review

- Review bids received for the beeline phased project.
- Issues with HMMH's work on secondary irrigation meters in Monroe last winter.
  - Problems with smaller diameter pipe fittings and service connections, particularly where they tied back into PVC with glued fittings.
  - Failure rate of 25-30% on the Monroe project.
- New contractor is about a third of the way through the project.
- Older systems like Annabelle and Glenwood had single-digit failure rates.
- Gluing to old existing PVC in the ground may have contributed to the issues.
- The current project involves pressure testing as they go and all new materials, which should mitigate the problems.
- Cody's crews have gained experience in these types of projects.

## Spanish Fork Project

- Completed about a year ago.
- The review from this project led to confidence in Cody for the Monroe project.
- The project's complexity was high due to traffic, people, and utilities.

## Redmond Project

- Quality was not an issue.
- Communication was good.
- The speaker feels responsible for communication with the contractor and wants to initiate and create that flow.

## Silver Spur's Salina Project

- Initially, the project went "horrible" with a lot of negative buzz.
- They corrected the issues and finished the job fairly well.
- A positive review was received from the reference called.
- This review was the basis for giving Silver Spur a line of credit.

## Recourse and Warranties

- Payment performance bonds are in place.
- If a contractor doesn't perform per the project specifications, work can be stopped.
- There is recourse to cancel the contract and pull a performance bond if quality standards aren't met.
- A one-year warranty period exists after substantial completion.

## Matt's Comments

- He has done research and considered the business perspective.
- He thinks they should take advantage of the money they have to reduce risk.

- Even though it is a lot of big pipe compared to like the Monroe job, there are still 75 service lines to redo.
- There are 75 meters and 75 hookups to existing homes.

## Attorney's Recommendation

- The attorney, Eric Johnson, advised that there was enough evidence to dismiss HMH and proceed with Silver Spur as the lowest responsive bidder.
- Silver Spur did not acknowledge the second addendum, which could be grounds for disqualification. However, the attorney stated that there were no grounds to reject Silver Spur based on the details of the addendum.

## Concerns Regarding Silver Spur

- The owner of Silver Spur will be out of commission for approximately 45 more days.
- There is a concern that Silver Spur might merge Project A and Bee Line, which are intended to be separate due to federal and state funding.
  - There is a risk of misallocating funds between the two projects.
  - "If we start cutting checks to the same contractor out of different funds, then that could get messy potentially."

## HMH vs. Silver Spur

- HMH and Silver Spur have similar reputations.
- Blue Stake representatives prefer working with HMH over Silver Spur due to issues with Silver Spur not calling in Blue Stakes before digging, particularly in Salina.
  - "They say that gold blue stake in for a certain area and then Silver Spurge is runs. And then they hit this and then they hit this and then, and then they go, this wasn't even Blue Stick."

## Boring Method

- HMH uses a pneumatic boring method where the casing is pushed through the road.

- "So you actually drive with the casing and it just pushes the casing in front of it. Then once you get through, then you. Go clean it back out."

## Crossings

- Only two crossings from Hail Road to the end of the project.
- The crossings are at 900 and in front of Raymond Jensen's.
- There is a possibility of adding a third crossing in the middle if the bores go well.

## Concerns

- Concern with state/federal regulations.
- The current contractor is performing well.
- There are concerns about whether the contractor can handle another job with the necessary manpower and equipment.

## Concerns/Complaints

- Enbridge employee reported seeing the contractor backfilling with unsuitable material.
  - The speaker confirms they have had to stop the contractor and ask them to redo backfilling.
- Shutting off water without 48-hour notice.
- Overtightening fire hydrants, damaging the dome gaskets.
  - This could cause leaks and freezing in the winter.
- Safety concerns: not blocking roads, no cones, equipment everywhere.
- Digging over an open trench with men in it.
- Cleanup issues, being slow on cleanup.

## Silver Spur

- Silver Spur did the Bill Anderson subdivision a year ago.

- Cleanup took a year.

## **Motion**

- Cody makes a motion to accept HMH as the contractor to complete B Line for \$1,116,679.
- The motion is seconded and passes.

## **Next Steps**

- The draft contract will be sent to Cody in the morning.
- Cody needs to provide bonds.
- Once bonds are in place and the contract is signed, work can begin.
- The speaker encourages Cody to get parts locally from Peterson.

## **Conversation with Elsinore Town**

- Goal is to outline points of agreement and how to proceed, as both parties need city council approval.
- The proposal involves selling blocks of water in acre feet instead of individual meter billing.

## **Brooklyn SSD and Water Usage**

- Brooklyn SSD is not a private water company, but its own entity.
- Proposal: Combine the last three years of water usage from the addition and Brooklyn Tap Line, add in 10 additional connections, plus inactive connections.
  - This total is used to determine a monthly water allotment, with a factor to account for peak usage.
  - Exceeding the monthly water allotment results in higher costs.

## **Simplifying Elsinore Town's Role**

- Goal is to simplify Elsinore Town's involvement: "It's a block of water. You've got two meters, you read, end of story."
- The actual management of the Brooklyn SSD system would fall on their shoulders.

## Revenue Matching and Billing

- The aim is to match revenue for water sales, ensuring neither Brooklyn Tap Line nor Elsinore gets hurt.
- If billing is only for water and not individual service, the water price would be higher.
- The proposed rate structure includes a base rate, like \$2,000 a month, regardless of water usage.

## Supply, Demand, and Protections

- The system is designed with a supply and demand curve: exceeding the monthly allotment increases the price.
- Protections are in place for both the SSD and Elsinore Town.
  - Goal is to ensure Elsinore Town views the arrangement positively and that everyone gets great water service.

## O&M and Meter Ownership

- Elsinore Town would give away the O&M on 196 meters and simplify billing.
- Elsinore Town needs to own the two master meters.
  - The O&M on the master meters would need to be factored in.

## Metering and Maintenance

- New meters will be installed with vaults, and the customer (SSD) will inherit everything from the meter onwards.
- The town will no longer maintain the 96 individual meters in the addition, but the SSD will maintain the two master meters.
- Brooklyn SSD will be treated like any other customer, but on a larger scale.

## Agreement Review and Water Conservation

- The agreement with Brooklyn Tap was reviewed every four years.
- Standard water conservation practices will apply to the SSD as a customer.
- The agreement review should occur towards the end of Valerie's term to avoid renegotiation with a new mayor.

## Rate Adjustments and Infrastructure

- If the town raises rates, the SSD's rates would increase by the same amount.
- Parameters need to be set for situations where the town incurs significant debt for well repairs, ensuring the SSD pays its fair share.
- The SSD will start collecting its own water rights, which can be used for leverage, drilling, or leasing.

## Contract Concerns and Usage Data

- Concerns were raised about ensuring a new administration cannot easily terminate the agreement or impose unreasonable rates.
- Rate increases for the SSD should be tied to overall rate increases in town, not arbitrary amounts.
- There is a discrepancy in water usage figures, with an estimated 84 million gallons per year versus a previous usage of 116 million gallons including Brooklyn and the addition.
- A work meeting is proposed to review historical usage data and revenue to determine appropriate rate structures.

## Future Steps

- The goal is to transition the SSD to operate independently, similar to other communities that sell a block of water to an entity.
- The current system is unique due to its historical setup and close relationships.
- The next step involves a work meeting to analyze past usage, revenue, and potential rate adjustments.

## Water Agreement Discussion

- The agreement is based on a three-year average.
- There's a need to negotiate for more water in the future due to growth.
- The current water amount will remain constant, and additional water will require providing their own source, potentially with assistance on a storage tank.
- The water tank for Austin was funded as a way to control growth.

## Growth and Residency

- Not everyone is in favor of growth.
- There was a suggestion to require resumes and letters of recommendation for new residents.

## Contract with Scott

- A contract with Scott will be worked out, potentially including the use of equipment.
- The good bids may allow for the purchase of some equipment.

## Equipment Purchases

- There was a past issue with using rural development money to purchase equipment that could "walk away."
- The definition of "perishable" equipment is unclear.
- The county owns land in the addition that could be used for equipment storage.
- Lots in the addition are cheap when there's no water access.

## Upcoming Meetings

- A work meeting will be scheduled to address these issues.
- A board meeting is scheduled for the 16th at 6 PM to approve the budget for next year.
- The budget discussion is expected to be brief.

- The work meeting will follow the budget meeting on the 16th at 6:15 PM.