

Deweyville Water Contract - July 13, 2026

General notes

Overview

The meeting focused on reviewing the water supply agreement between the District and Deweyville, originally signed in 2014 and currently expiring end of 2027. The contract involves two water blocks: 100 acre-feet (take-or-pay at \$4,000/quarter) and 150 acre-feet at a higher rate. The District pays Deweyville \$100/acre-foot for pumping its own water rights, then sells to Ukon Water at \$493/acre-foot in 2026. A new Flat Canyon Well supplying ~100 acre-feet annually reduces Deweyville dependency until approximately 2032. Key issues include inadequate pumping compensation, a potentially failing pump (down to 300 GPM from 500+ GPM), and no formal emergency connection contract with Elwood/Honeyville. The Deweyville City Council will discuss contract renewal in August and vote in September, targeting a longer-term agreement. The District board will vote the following month.

Action Items

Chance Baxter General Manager BRWCD

- Update spreadsheet terminology from 'purchased from Deweyville' to 'supplied from' or 'pumped from' to avoid misrepresentation
- Contact the State Engineer to confirm all water right change applications (temporary and permanent) have been properly completed, particularly regarding Section 1.2 obligations
- Investigate whether Deweyville is being adequately compensated for pump wear, maintenance, and power costs; analyze water usage split between Deweyville retail customers and the District (estimated ~50/50 based on 64 million gallons pumped, 34 million used locally)
- Pursue backup generator project with Golden Spike Electric, exploring a three-way cost-share between the District, Deweyville, and the Internet tower company
- Investigate feasibility of a redundant back-feed water connection from the south booster station (on school district property) into Deweyville for emergency supply
- Send current contract and spreadsheet/graphs to Deweyville City Council ahead of August discussion meeting
- Present contract renewal discussion at Deweyville's August City Council meeting; attend if needed to answer questions
- Have District board vote on the new contract approximately one month after Deweyville's September vote (District meets the fourth Wednesday of the month)

Mayor Curt along With System operator and City council member Nate Spackman.

- Investigate the flow meter at the main well to determine if it is reading accurately (possibly a Siemens magnetic/ultrasonic unit) — contact District if it is a Siemens unit for technical support
- Plan to replace or inspect the main pump, which has declined to ~300 GPM from over 500 GPM, likely before or during winter; the pump is approximately 5-6 years old
- Check the second well (north side) for cavitation or air issues causing sporadic flow after ~30 minutes of operation — may need to be set deeper
- Pull water usage reports to confirm exact split of pumped water between Deweyville retail customers and District usage
- Formalize the emergency water connection agreement with Elwood and Honeyville (currently word-of-mouth only)
- Present contract renewal as a discussion item at the August City Council meeting and bring to a vote at the September meeting

Topics

Contract Background and History

The water supply agreement between the District and Deweyville was originally signed in 2014, coinciding with the construction of the Collinston pipeline project. The project was conceived to address arsenic contamination in Ukon Water's supply, which fell out of EPA compliance. The solution involved blending Deweyville aquifer water with Ukon's arsenic-affected spring water at a blending station. The District takes water from the Deweyville sources and transports it north to Ukon Water's blending station. The agreement was renegotiated in 2019, with changes limited primarily to pricing. The current contract runs from 2020 to 2027. The District currently has approximately 90 retail customers in the Collinston area, but the largest volume of water goes to Ukon Water's blending station. The District's contract with Ukon Water runs until 2034, creating a long-term obligation to supply blending water.

Deweyville Source Infrastructure Concerns

The main Deweyville well is currently showing signs of declining performance. Flow has dropped from over 500 GPM to approximately 300 GPM, mirroring a pattern seen when the pump previously failed due to an electrical fault (lost a leg). The pump is approximately 5-6 years old. The operator noted the system now runs for five consecutive days to recover storage that previously refilled within one day, with sharp drops visible when the District pumps. Springs associated with the system are also running low at approximately 25 GPM. A secondary well runs sporadically after about 30 minutes, possibly due to cavitation or air entrainment, and may need to be set deeper. The flow meter may also be malfunctioning; if it is a Siemens unit, the District offered to send a technician (the Siemens representative lives in Bear River City). Pump replacement is being considered for fall or winter.

Contract Water Blocks and Pricing

The current contract has two water blocks. Block one is 100 acre-feet per year on a take-or-pay basis, billed at \$5,000 per quarter (\$20,000/year) regardless of usage. Block two is an additional 150 acre-feet per year at a higher rate (\$140/acre-foot). The District has rarely exceeded block one, with the notable exception of 2023 when usage reached 166 acre-feet. The District sells water to Ukon Water at \$493/acre-foot, while paying Deweyville approximately \$100/acre-foot for pumping. Deweyville expressed concern that \$100/acre-foot (approximately \$20,000/year total) may be insufficient to cover Deweyville's actual costs including power, pump wear, and maintenance. Two potential solutions were discussed: increasing the per-unit rate or adding a separate annual maintenance fee paid directly to Deweyville for source upkeep.

Backup Generator Project

The Deweyville well source currently has no backup generator. The District operates backup generators on all its own facilities and considers them essential. Chance Baxter proposed a 50/50 cost-share between the District and Deweyville for a backup generator at the well site. An Internet provider (unnamed) has a tower at the well site and currently sends a technician with a portable generator during power outages to maintain Internet service. Chance Baxter and Nate have been in discussions about a three-way cost-share including the Internet company. Golden Spike Electric has been identified as the contractor. Tyler (the electrician) noted the generator selection is not straightforward due to the pump's electrical requirements. No cost figures are yet available, which has delayed outreach to the Internet provider.

Redundant Emergency Water Supply

Chance Baxter proposed a future project to create a back-feed connection from the District's south booster station (on school district property) into Deweyville's distribution system for emergency use. The District's tanks are at a higher elevation, providing sufficient pressure. This would be a temporary/overnight solution only, as all primary sources are south of Deweyville, but the District has over one million gallons of storage in the north that could be shuttled back. Deweyville also has existing emergency connections with Elwood and Honeyville, which were engineered (by Bill Bigelow) and funded during the District's tenure under former manager prior to 2019. The three-way connection allows any two of the three entities to supply the other. However, there is currently no formal written contract for this arrangement — it exists only as a word-of-mouth understanding between operators. Leslie noted this needs to be formalized urgently. Chance Baxter offered to provide a contract template.

Contract Renewal Timeline and Terms

The current contract expires at the end of 2027. Chance Baxter expressed preference for a longer-term agreement, ideally 10 years or more, potentially a perpetual agreement with periodic rate review clauses. Leslie noted the prior contract was seven years. The group agreed that prices must be adjustable while the obligation to supply water remains fixed. Chance Baxter

recommended incorporating an annual automatic rate increase of 3% (based on historical inflation of approximately 2.7%), approved once by the board for a multi-year period to avoid repeated public hearings. The District has implemented this model elsewhere.

Subdivision Development Dispute

A developer submitted plans for a subdivision in Deweyville's area that was denied by the Deweyville City Council but subsequently conditionally approved by the District board for water service. The District's policy requires a denial letter from the local municipality to trigger its obligation to serve, and Deweyville provided that letter (denying annexation and services, not explicitly water). The developer's plans show access via a road to the cemetery, which requires a cul-de-sac for emergency vehicle access. The property is currently zoned Agriculture-40 (grazing) by Box Elder County. The developer would need a county rezoning, UDOT approval for highway access, and compliance with all county and state requirements. Chance Baxter noted the developer has a steep hill to climb and that the District would have preferred Deweyville to capture the revenue. A similar situation is developing on 3400 West where individuals are seeking water service outside established service boundaries.

District's Wholesale vs. Retail Strategy

Chance Baxter articulated the District's preference to operate as a wholesaler rather than a retailer. This philosophy returns control of growth and development decisions to local communities. The District is the largest culinary water provider in Box Elder County by volume but prefers not to compete with entities like Ukon, West Corinne Water, North Garland, Riverside, and other independent suppliers that Kelly represents. The District's retail customers in Collinston number just over 90, and serving them directly is seen as a legacy of infrastructure development rather than a strategic goal.

Water Rights Structure and Misconceptions

A significant point of clarification was raised regarding the nature of the arrangement. The District does not purchase water from Deweyville; rather, the District transferred its own water rights into Deweyville's well sources and pays Deweyville to pump that water using Deweyville's infrastructure. The District completed a permanent water rights change application (rather than annual temporary filings at \$250/filing) in 2014, transferring 250 acre-feet of water rights into Deweyville's system. A temporary change application was filed first to test State Engineer approval, followed by the permanent transfer. The permanent transfer supersedes the temporary and does not require annual renewal. The District's spreadsheet and graphs currently mislabel this as 'purchased from Deweyville,' which will be corrected to 'supplied from' or 'pumped from.' Board members and community members frequently misunderstand this arrangement.

Spring Line Rehabilitation

The District contributed approximately \$33,000 to help replace the Deweyville spring pipeline in the prior year. Prior to the repair, the spring produced zero flow. Immediately after repair it

produced 15 GPM (approximately one million gallons per month). It has since increased to a steady 25 GPM, which was noted as a significant and cost-effective water source since it requires no pumping energy.

Flat Canyon Well and Future Water Supply Projections

The District brought online a new Flat Canyon Well (located above Joe Klieger's property) in August of the prior year. In its partial year of operation, it produced 61 acre-feet. Running 24/7, it is capable of exceeding 100 acre-feet annually, with a conservative safe yield estimate of 100 acre-feet/year. Graphs presented show that the Flat Canyon Well will supply the majority of the District's Collinston-area water needs going forward, significantly reducing the volume needed from Deweyville sources. Projections indicate the District will not return to its current Deweyville draw levels until approximately 2032, giving approximately seven years of reduced dependency. This changes the negotiating dynamics for the new contract.

Water Rights - State Obligations and Remaining Actions

Kelly raised questions about Section 1.2 of the contract, which references both a permanent change application and a temporary change application to use 250 acre-feet through 2021. There was uncertainty about whether all state filings have been completed. Chance Baxter confirmed the temporary was filed first, then superseded by the permanent, and stated he is not aware of any outstanding state obligations but committed to following up with the State Engineer. The group confirmed that any new agreement between the District and Deweyville does not require State approval — it is a private contract. The excess 150 acre-feet (of the 250 transferred) that is not currently being pumped remains available and could theoretically be used by either party within the terms of the agreement.