

Public Hearing

Levan Town Council

Meeting Minutes

June 11, 2026, 6:00 P.M.
20 North Main Street, Levan, UT 84639, US

1. Welcome

The public hearing was called to order at 6:10 PM on Thursday, June 11, 2026, at the Levan Town Hall, 20 North Main Street, Levan, Utah. The Mayor was noted as being en route and the hearing proceeded in the interim. The presiding officer Jerry Spencer read the Notice of Public Hearing into the record, confirming that the purpose of the hearing was to discuss applying to the Permanent Community Impact Board (CIB) for funding of the Levan Town Aquifer Recharge and Recovery and Water Rights Acquisition, and that the council would solicit comments concerning the size, scope, and nature of the funding request.

Present: Mayor Tyler Shepherd. Council members: Rachel Goates, Ray Evans, Jerry Spencer, Brady Taylor

Also Present: Christine Carrigan (Clerk), Chelsea Carle (Treasurer), Chelsi Oliver (Deputy Clerk) Parker Vercimak (Jones & DeMille), Koy Barton (Jones & DeMille), Shay Morrison (R6), Joel Winn, Russ Mangelson, Christie Mangelson, Brenda Bronson, Karen Spencer

2. Description of Project

Parker Vercimak of Jones and DeMille Engineering provided a high-level overview of the project scope and funding application, joined by Koy Barton (Jones and DeMille) and Shay Morrison (R6), who assisted in preparing the application.

Project Scope

The project encompasses two components: (1) Aquifer Storage and Recovery (ASR) infrastructure improvements to enable aquifer recharge, and (2) acquisition of water rights currently held by the state. The town has already invested approximately \$30,000 in engineering and study costs toward the ASR permitting process, with approval from the State Division of Drinking Water anticipated within a matter of months. The ASR infrastructure work — consisting of a meter vault, injection port, and associated piping modifications to an existing town well — is estimated at approximately \$140,000–\$150,000, including engineering for bid solicitation and state approval of construction.

The water rights acquisition component represents the larger portion of the budget, at approximately \$860,000, and would provide the town with roughly 70 additional acre-feet of water, translating to approximately 43 additional gallons per minute on an annual average basis. It was noted that this acquisition opportunity was described as "unprecedented" and potentially unrepeatable at this price and quantity in the state of Utah.

Funding Request

The total CIB application was submitted at \$1,000,000, with a requested split of 75% grant and 25% loan, along with a \$5,000 cash contribution from the town. This yields a requested grant of approximately \$746,000 and a loan of approximately \$249,000, at a requested interest rate of 0.5% over a 30-year term. It was acknowledged that CIB is currently receiving a high volume of applications and may not award the full amount or the requested grant-to-loan ratio.

Potential Loan Payment Scenarios

The following hypothetical scenarios were presented to illustrate the potential financial impact on the town and its approximately 388 users:

- 75% grant / 25% loan: ~\$9,000/year; ~\$1.92/connection/month
- 60% grant / 40% loan: ~\$14,300/year; ~\$3.00/connection/month
- 50% grant / 50% loan: ~\$17,900/year; ~\$3.85/connection/month

CIB operates on a trimester basis; the application is expected to be heard by the board within three months, with a funding decision anticipated at the October funding meeting.

How the Loan Would Be Paid

Council members discussed the town's capacity to service a loan. It was noted that the town had not undertaken regular rate increases and that a rate study had been conducted in 2024. The council acknowledged that some rate adjustment — particularly to higher usage tiers — had already been under consideration independent of this project. A rate increase schedule, such as one implemented by other communities that sets annual increases of 1–3% over a 10-year period through a single council action, was discussed as a model to help the town avoid large, disruptive rate increases in the future. The town's current reserve of approximately \$54,000–\$60,000 in impact fees, which must be spent on water infrastructure, was also identified as a potential resource. It was noted that CIB looks favorably on applicants demonstrating willingness to adjust rates to cover loan obligations.

Positive and Negative Impacts

The council discussed the broader benefits of the project. It was noted that securing additional water rights would provide long-term water security and support the town's capacity for growth. Levan's geographic position was highlighted as an asset for affordable housing, with home prices cited as being approximately \$150,000 less than comparable homes in Nephi and significantly less than in Santaquin, making the town an accessible option for first-time buyers and commuters. The town's current inventory of approximately 70–80 buildable lots without annexation was noted as an additional opportunity that depends on expanded water capacity.

On the potential negative side, the possibility that ASR infrastructure costs could be incurred prior to full confirmation of the system's long-term viability was acknowledged. During the first year of ASR operation, the State requires a probationary monitoring period involving monthly, quarterly, and annual water quality sampling to ensure that injected water does not react adversely with subsurface formations. It was noted that, while the risk of adverse chemical reactions (such as heavy metal release) is considered low, it cannot be ruled out in advance. Members also acknowledged that peak-day demand was already near system limits and that continued growth would require ongoing attention to water supply capacity.

The distinction between the two project components was clarified: the 350-gallons-per-minute cap applies to the town's spring water rights, while the water rights proposed for purchase are drawn from a separate well source and would represent an independent addition to total system capacity.

3. Take Public Comments

A member of the public, Joel Winn, noted that this project had been discussed at a council meeting approximately two and a half to three years prior and expressed that no further updates had been communicated to the public since that time. Council members and engineering representatives clarified that the project has been under active development during that period. It was explained that an earlier application for ASR funding had been submitted through a GOEO grant, which was unsuccessful, and that the current CIB application represents a continuation of the same effort through a different funding source. Approximately \$30,000 in town funds has been spent on engineering and state permitting work to date, and the Division of Drinking Water permit is anticipated within one to two months. The public commenter acknowledged the clarification.

No additional public comments were received.

4. Adjourn

A motion to adjourn the public hearing was made by Rachel Goates and seconded by Brady Taylor. The motion carried unanimously.

The public hearing was adjourned at 6:54 pm.

Minutes prepared by Christine Carrigan, Clerk — Levan Town, Utah