

**Bear River Water Conservancy District
Board Meeting
Wednesday, April 23, 2014 7:00 p.m.
Bear River Water Conservancy District Conference Room
102 West Forest Street, Brigham City, Utah**

Minutes

Present: Trustees: Chairman Clinton Burt, Vice Chairman David Forsgren, Financial Chairman LaRall Thompson, Jay Carter, Charles Holmgren, Brent Baugh, Richard Day, Roger Fridal, Tyler Vincent and Jeff Scott

Staff: General Manager Voneene Jorgensen, System Operator Bob Phippen, System Operator Robert Thayne and Administrative Assistant Cassee Harper

Visitors: Bill Bigelow, Hansen Allen and Luce Wes Udy, Plymouth Town Councilman Mona Udy, Plymouth Randy Marble, Chanshare Farms

Excused: Ross Rudd

Invocation: Vice Chairman David Forsgren

Pledge of Allegiance: Lead by Chairman Clint Burt

Adoption of the Agenda – Chairman Clint Burt

There were no changes to the agenda.

A motion was made by Board Member Holmgren to approve the agenda as written. The motion was seconded by Board Member Vincent. Chairman Burt, Vice Chairman Forsgren, Financial Chairman Thompson and Board Members Scott, Carter, Holmgren, Day, Fridal, Vincent and Baugh voted in favor of the motion.

Approval of the Minutes for the Annual Board Meeting held March 26, 2014.

The minutes of the Annual Meeting held March 26, 2014 were included with the packet that was mailed to the Board Members.

A motion was made by Board Member Fridal to approve the minutes for the Annual Meeting held March 26, 2014. The motion was seconded by Financial Chairman Thompson. Chairman Burt, Vice Chairman Forsgren, Financial Chairman Thompson and Board Members Scott, Carter, Holmgren, Day, Fridal, Vincent and Baugh voted in favor of the motion.

Craig Hawkes – Howell Town

General Manager Jorgensen reported that Craig Hawkes called to postpone his request. He feels they may enough funding to do their project but if they find they still need our help he will contact us at a later time.

Wes Udy – Plymouth Town Councilman

Wes Udy is the new Water Operator for the town of Plymouth. Plymouth needs a new well and they have an approved permit issued from the State of Utah which will expire in 2016. Last summer Plymouth lost the pump in their main source well and had to have the County haul in water. Mr. Udy is here trying to solicit any help or funds he can get from the District to drill a new well for their town. They have not yet chosen a location but they have a study that was done by the District to help with choosing that location.

General Manager Jorgensen explained that she met Mr. Udy at the Water Users Workshop in St. George. Mr. Udy asked for help from the District to drill a new well for Plymouth. She told him the District can sometimes help with engineering fees up to \$10,000 upon Board approval on a re-pay basis. That means Plymouth would pay the engineering fees and the District would reimburse the town. The District has helped other communities and Plymouth has not asked for help in the past. She feels the District would have funds available from the exploration and studies fund for Plymouth if the Board approves the request.

The Board inquired how close Plymouth was to Riverside/North Garland's water line and suggested that it may be less expensive to see if they could connect to that line. They would need to install a booster pump since they sit up higher but the Board suggested they research the possibility of a connection with Riverside/North Garland Water Company as an emergency source. General Manager Jorgensen said the District would be happy to help with negotiations with Riverside/North Garland to connect to their line as an emergency source but Plymouth does need to have a new well drilled regardless as they need to have their own second source of water available.

A motion was made by Vice Chairman Forsgren to grant Plymouth City up to \$10,000 for engineering services to expedite the drilling of a new well. Board Member Vincent seconded the motion. Chairman Burt, Vice Chairman Forsgren, Financial Chairman Thompson and Board Members Scott, Carter, Holmgren, Day, Fridal, Vincent and Baugh voted in favor of the motion.

Randy Marble – Chanshare Farms

Randy Marble is the owner of Chanshare Farms. Chanshare has been a tenant of the Bear River Water Conservancy District since 2001 and appreciates the relationship with the District and will continue to be good stewards of the land, the water and the owner. In the Agreement between the District and Chanshare it states that Chanshare has the right to sublease part of the District's land to others for a 1 year term and a 1 year term only and that Chanshare has been subleasing what is called the Well #4 property to West Hills Farm for many years. Chanshare would like to take the property back to plant another crop and West Hills Farm has agreed to vacate the property at the end of August 2015. Under the current agreement Chanshare can sublease to him for one year but he is requesting that the Board allow Chanshare to be able to sublease through the end of August in 2015 to West Hills Farm, so the sublease would be for an 18 month period rather than a 12 month period. West Hills Farm has agreed to peaceably vacate the property at that time and Chanshare Farms has agreed to buy the pivot on the property. The Chanshare lease with the District is through 2017 and will be able to begin negotiations for another lease in 2016. Another clause in the lease is that if there is any other reasonable offer that the Board chooses to accept that Chanshare has the first right of refusal to meet that offer. Chanshare has invested just over \$500,000 in center pivot irrigators. Mr. Marble believes he has been a good tenant and he is delighted with the relationship he has with the District.

Board Member Holmgren made a motion to extend the sublease in the contract with Chanshare Farms from 12 months to 18 months, until September 30, 2015. Board Member Fridal seconded the motion. Chairman Burt, Vice Chairman Forsgren, Financial Chairman Thompson and Board Members Scott, Carter, Holmgren, Day, Fridal, Vincent and Baugh voted in favor.

Randy Marble gave a demonstration about the sod farm. There has been debate from time to time whether grass is an agriculture product and if it is good for the land. Chanshare has been in business for 35 years this month. There have been 15 sod farms go out of business since 2008 so they are seeing an increased demand for sod. Mr. Marble talked about citizens over watering lawns and about new soil/moisture sensors for residential use that are easy to install and can reduce watering up to 30%. He also talked about ways that Chanshare has reduced their watering and the amount of soil they take off the ground and also how aggravation helps with water/air fertilization to help drive the roots of the sod deeper. He explained how they have gone from using hand lines to using sophisticated computerized center pivots and how there are new seed varieties available today that don't use as much water as the old seed.

Mr. Marble commended the Board Members for having the vision to preserve water for Box Elder County. Chanshare wants to be good partners to the District and they want to be a good tenant as their interests in preserving water resources are the same as the District's. General Manager Jorgensen mentioned that Chanshare has been very good stewards of the District's land and we really appreciate them.

Collinston Project Update – Bill Bigelow

There has been a lot of progress on the project since the last board meeting. There are two construction companies under contract on the Collinston Project; FX Construction is building the two 500,000 gallon Water Tanks and Rupp Trucking is the contractor for the Pipelines and Booster Stations. The NEPA process was completed last Friday and we had a very uneventful public comment meeting for the “Finding of No Significant Impact”, also known as the FONSI. We are working with UDOT to get everything approved because most of the pipeline construction is on Highway 38. We are also working with Box Elder County with approvals on the Dairy Road; they have asked us to modify the design a little bit. Rupp Trucking is working on the canal crossing this week because water will be in the canal on May 1. Darren McFarland has come to look at each stage of the canal crossing to give approval. We had the pre-construction meeting with FX Construction for the water tanks yesterday and tomorrow we will have a pre-construction meeting with Rupp Trucking even though we have already started the canal crossing. We have some loose ends to finish up with the State of Utah, mainly paperwork, so we can close on the loan and we are hoping to close on the loan before the next board meeting. As far as inspection of the project goes; this is a big project the District’s inspector, Bob Phippen, will be full-time on the tanks project. We normally send a soil’s inspector to do the compaction testing and we have found an inspector who has also inspected pipelines so we have decided to hire this individual full-time for the summer to do the soil’s compaction testing and he will also be inspecting the pipelines as Bob would be spread a little too thin to cover all inspection on pipelines, tanks and booster stations. The tank contractor, FX Construction, has made arrangements for Rupp Trucking to do the excavation work for the tanks. They will do the south tank first, and when that one is all finished, they will then move to the north tank site. Material orders could hold us up a little because at the last minute the State informed us of the “Buy American” law which is a law passed by Congress that states that any contracts that were funded by Federal dollars have to have iron and steel products that have been produced in America and they have to be certified as being made in America. Suppliers have been scrambling on how to comply with this rule as there are several versions of the “Buy American” law. We need to have 95% of the products made in America.

General Manager’s Report – Voneene Jorgensen

General Manager Jorgensen stated that we have the contractor’s contract documents signed and we have their insurance bonds in place. We have talked with the Division of Drinking Water and I think we are in good shape. We are working with the Bear River Canal Company because the title work came back as still being owned by the Hammond Canal Company. The waterline easement has had some problems with the title work and we are trying to get that all cleared up. Have to move forward because we only have a short window to work with UDOT on the highway from April 15 to October 15. The pre-construction meetings went well. Bob will be doing daily reports during construction and e-mailing them to Bill and me.

While reviewing the documents needed to close on the loan, it was brought to our attention that in the water contract with Deweyville City, somehow the sentence referring to the 5-year renewable term extension had been omitted from the final draft when it was signed so we are having the contract amended to include the following, “The term provided for in this agreement may be extended pursuant to the mutual agreement of the parties for additional 5-year periods, subject to the availability of surplus water”.

Plymouth Town -

We really appreciate the Board supporting Plymouth with engineering services to help them with drilling their new well. Mr. Udy is very worried about Plymouth’s water situation. We will encourage them to work with Riverside/North Garland to connect the two systems for back-up and redundancy purposes.

Chanshare Farms -

We also appreciate the Board extending the sublease agreement with Chanshare. Chanshare and Randy Marble have been so good to work with over the years; they take very good care of our land. They are current on their rent and electric power and they have been awesome to work with; whatever we ask them to do they are willing to help. There have been occasions when they have plowed our roads for us and also when the SCADA has failed and the well needed to be re-started or shut-off, we have called Buster Marble and he has gone out immediately to shut off valves for us, even if it is 4:00 a.m. Blair Summers has expressed an interest to lease the farm when the lease comes up for renewal with Chanshare. The Board will need to look at the historical use and success of the farm, consider all petitions and make the decision that is in the best interest of the District. General Manager Jorgensen reported to the Board that the District needs to protect our water, our water rights and the water quality in the Newman Well. As irrigation starts this year we need to test our wells to get the data to start benchmarking the water quality in the Bothwell pocket.

Audit Recommendations -

We have received copies of several conflict of interest forms to review as examples and will work on getting one ready for the board members to complete and sign. The auditor recommended that we make a pick-up election for the 401(k) match. General Manager Jorgensen contacted Ryan Child to discuss that requirement and discovered a reporting error by the URS so it is no longer a requirement.

Financial Statements –

The Balance Statement shows a \$159,000 deficit in the General Checking Account. General Manager Jorgensen explained that three bond payments were due by March 31st and a transfer from PTIF was made to cover those payments. The transfer was sent to the Harper Ward savings account in error instead of the General Checking Account. We caught the error right away and got the money transferred back to the General Checking Account. The bank paid the checks for the loan payments so the loan payments were paid on time.

Board Member Ross Rudd –

Ross Rudd came into the office on Monday morning and with regret, but with strong encouragement from his family, he turned in his resignation. He has been on the Board since 1994. He expressed his appreciation and love of the District and how much he enjoyed working with all the board members over the past 20 years. He wishes the District well and much success. He has served very well and has missed very few board meetings. In the past we have given eagles to our resigning board members but we will give him a nice plaque also. With a motion to accept his resignation we will write a letter to the County commission informing them of a mid-term vacancy on our Board, notice it in the newspaper and request individuals send the letters of interest to the District and then the County Commission will appoint a new board member. The County Commission has their meetings on the first and third Wednesday of the month so we may be able to have a new board member by next board meeting.

Board Member Baugh made a motion to accept Ross Rudd's resignation. Board Member Scott seconded the motion. Chairman Burt, Vice Chairman Forsgren, Financial Chairman Thompson and Board Members Scott, Carter, Holmgren, Day, Fridal, Vincent and Baugh voted in favor.

Other Information –

We have had calls from Hansen & Associates and from Box Elder County asking if we could provide water to the site for Nature Foods and we also got a phone call saying that there was an application for a private landfill in Hansel Valley. Board Member Training is on April 29th in Logan and they also offer it in Provo and St. George. Board Member Training has to be completed every year and all new board members are required to complete the training within one year of taking office.

Trustees Reports

Dave Forsgren – No report

LaRall Thompson – No report

Brent Baugh – No report

Tyler Vincent – Brigham City has a lot of things going on. We have growth coming, the water situation looks good and our sheds are looking good. However, we would like to have some more snow before it gets too hot.

Roger Fridal – Tremonton is re-developing springs in Deweyville. Also, Kris Oyler mentioned he would like to serve on the BRWCD Board if there is ever an opportunity.

Richard Day – Jerry Preston is getting ready to go to the County to start preliminary conceptual designs on his property. They will have 138 lots on the old Ward property within the next 6 months. There hasn't been any discussion about secondary water yet, however, he does have

enough Pineview water to meet the need for those lots. General Manager Jorgensen mentioned that Jerry Preston has reserved water and has a reserved contract with the District. There was a secondary water study done for South Willard and the first recommendation was that Pineview put in the secondary water system and irrigate as the water has historically been used on the land, the second recommendation was for the District to own and manage the secondary water system and the third and least preferred recommendation was a homeowners association or irrigation company.

Charles Holmgren – He found it very interesting that the Bear River Canal Company doesn't own the canal they run their water through. They are planning on putting water in the Hammond canal on the east side on May 1st and then a couple days later they will put water in on the west side. The canal company has ordered a bid on a telemetry system with Golden Spike Electric. There is going to be a symposium sponsored by Bear Lake Watch on May 22 & 23 at Bear Lake to discuss the marsh on the north end of the lake and the issues about the river depositing silt into the marsh. Bear Lake Watch and the irrigators at PacifiCorp had an advisory committee meeting about stopping the Quagga and Zebra mussels from getting into Bear Lake. The Feds funded a \$1.5 million project to keep infected vessels from entering into clean waters and they want to continue that program into Lake Powell.

There was a Bear River Commission meeting a week ago and Bob Barrett is interested in having their semi-annual meeting in Brigham City on November 18th and was wondering if the District would be interested in sponsoring a dinner or a break. There will be people from Idaho, Wyoming and Utah; not a large group of people but they would be traveling quite a distance. Dee Hansen resigned as Chairman of the Bear River Commission and we are waiting to hear from President Obama on who his replacement will be.

There was a Class B Sludge meeting in Corinne that involved the West Corrine citizens and the Ferry family that discussed the sewer sludge issue. Board Member Scott said Commissioners Summers and Tingey were at that meeting also and said the Ferry family had support from the farmers and ranchers but at the County meeting tonight they heard from all the concerned citizens. It seems like the biggest issue is the smell so if they get the sludge in the ground quicker that will reduce the smell.

The Bear River Canal Company got a full allocation from PacifiCorp from the Bear Lake.

Jay Carter – He has a little water project going on at home. He doesn't foresee having very much water this year but his daughter in Montana has already been flooded once and their snowpack is 200%.

Jeff Scott – Mr. Lau was at the County meeting tonight. He is still extremely interested; he likes Box Elder County and wants to do something here. They are amazing corporate citizens. Impact fees are going to be a determining factor in their decision on where they open their new processing plant. They are going to look around a little bit and hopefully make some decisions soon. Also on the agenda tonight was an application for a private landfill in Hansel Valley just

off Exit 16. Property owners who sit adjacent to the property brought in all the demographics and the landfill would actually sit on one of the most active earthquake faults in the state and would also sit on an aquifer. There are only two established landfill corridors in the County; one is Little Mountain and the other is Promontory, so there would have to be a new corridor established for this landfill and Mr. Moulding would have to establish that there is a need for the landfill. Our current landfill at Little Mountain has a life expectancy of 25-40 years without additional impact and the landfill that is already permitted but not developed in Promontory has a life expectancy of about 125-150 years. General Manager Jorgensen mentioned that Hansel Valley is just one valley over from Whites Valley and that is where our primary re-charge area is so we would have to fight that one.

Clint Burt – No report

**Financial Business – LaRall Thompson
Approval of Financial Statements**

The financial statements for March 2014 were prepared and provided to the Board Members in the packet that was mailed to them. Financial Chairman Thompson asked for the Board to review the financial statements and approve them.

A motion was made by Vice Chairman Forsgren to approve the financial statements. The motion was seconded by Board Member Day. Chairman Burt, Vice Chairman Forsgren, Financial Chairman Thompson and Board Members Scott, Carter, Holmgren, Day, Fridal, Vincent and Baugh voted in favor of the motion.

Public Comment

There were no public comments.

Adjourn

A motion to adjourn the meeting was made by Board Member Day. The motion was seconded by Vice Chairman Forsgren. Chairman Burt, Vice Chairman Forsgren, Financial Chairman Thompson and Board Members Scott, Carter, Holmgren, Day, Fridal, Vincent and Baugh voted in favor of the motion.

The meeting adjourned at 9:00 p.m.