

**Bear River Water Conservancy District  
Board Meeting  
Wednesday, August 31, 7:00 p.m.  
Bear River Water Conservancy District Conference Room  
102 West Forest Street, Brigham City, Utah 84302**

**Minutes**

**Present:** Trustees: Chairman Clinton Burt, Vice Chairman Ross Rudd, Financial Chairman LaRall Thompson, Stan Stokes, Charles Holmgren, Brent Baugh, Bruce Christensen, Dave Forsgren, Brent Rose and Commissioner LuAnn Adams

Staff: General Manager Voneene Jorgensen, Systems Operator Bob Phippen and Administrative Assistant Judy Hartvigsen

Visitors: Bill Bigelow (Hansen Allen & Luce), Lance Nielsen (Hansen Allen & Luce) Scott Erickson, Ruth Erickson, Don Courtney, Linda Courtney, Randel Bowen and Michael Bowen

Excused: Richard Day

**Invocation:** Board Member Bruce Christensen

**Adoption of the Agenda**

There were no changes to the agenda.

A motion was made by Vice Chairman Ross Rudd to approve the agenda as presented. Financial Chairman LaRall Thompson seconded the motion. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Stokes, Baugh, Holmgren, Christensen, Forsgren, Rose and Adams voted in favor of the motion.

**Adoption of the Minutes for the Board Meeting held July 27, 2011**

A motion was made by Board Member Bruce Christensen to approve the minutes as written for the meeting held July 27, 2011. The motion was seconded by Vice Chairman Ross Rudd. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Stokes, Baugh, Holmgren, Christensen, Forsgren, Rose and Adams voted in favor of the motion.

## **Public Hearing**

A PUBLIC HEARING TO RECEIVE INPUT FROM THE PUBLIC REGARDING THE PROPOSED NEW WATER RATE TO BE IMPOSED FOR THE WATER SERVICE TO BE DELIVERED THROUGH THE BEAVER DAM CULINARY WATER SYSTEM

A motion was made by Board Member LuAnn Adams to close the regular meeting and open the public hearing. The motion was seconded by Board Member Bruce Christensen. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Stokes, Baugh, Holmgren, Christensen, Forsgren, Rose and Adams voted in favor of the motion.

Chairman Clint Burt welcomed visitors from the Beaver Dam Area and explained the proposed rate for the Beaver Dam Service Area is \$45.00 per month for the first 7,000 gallons of water utilized by the customer plus an additional charge of \$1.00 for each increment of 1,000 gallons of water in excess of the 7,000 gallons utilized by the customer per month.

**Scott Erickson** – stated we are on the system and we are new to a metering system. We are used to letting it run. Everyone agrees that it is not quite enough water for the amount of money. Bothwell goes up to 20,000 gallons before the overage starts. It seems like Riverside/North Garland has a big water amount before the overage starts. We don't know what the average water amount for a household would be because we have never been on a meter. He asked for a figure of what an average household would use. Bill Bigelow answered there are many variables.

**Don Courtney** – I have a typical water bill here for Brigham City for my daughter's house with a family of four. They used 6,000 gallons and it cost them was \$9.31. If you are going to charge \$45.00 for the first 6,000 gallons and a dollar for every thousand over, then you are not encouraging people to conserve very well. Some people could probably get by with 2 or 3 thousand gallons.

**Randy Bowen** - stated he is in the farming business so we use more water. We have livestock to water. He agrees with Scott that we should get more water for our \$45.00 maybe 20,000 gallons before we go to the overage. When we talked before it looked like \$45.00 was needed to finance the water system. By increasing the base amount it will make it possible to water cows.

Board Member Stokes asked how many farmers will be on the system. Scott Erickson estimated 10 would be farmers.

**Scott Erickson** – it is nice to run the faucet in the winter to keep it from freezing, which we won't be able to do anymore. He thought we should keep the secondary water in place; the old system in place and what runs out the overflow could be used.

Board Member Bruce Christensen asked about the capacity of the system and Chairman Burt referred the question to the engineer, Bill Bigelow. He stated they estimated the water use per year but there is no way to know for sure because the system was not previously metered. The estimate was an average of  $\frac{3}{4}$  of an acre foot per year for each home. Based on that figure, with the water rights the District has approximately fifty homes could be serviced with the water.

Chairman Burt stated if we have plenty of water and the customers are not used to being on a meter, it will be an adjustment and we should give them a higher base amount until they are accustomed to it.

Board Member Stokes agreed especially where they have livestock.

**Mike Bowen** – as far as metering and livestock, he uses 1,000 to 1,500 gallons per day in the spring and fall for 80 pair of cows and 750 ewes with lambs. He has to haul water to them at certain times of the year. He tries to use other sources to fill the tanks.

General Manager Jorgensen explained results of a water rate study will be presented.

Lance Nielsen of Hansen Allen & Luce presented results of the water rate study. He explained the costs involved with operation and maintenance of the system, repayment of the loan and on going maintenance to maintain DDW standards. He showed a map of the system and location of the improvements that will be constructed. Mr. Nielsen then went over the funding for the system to meet the total cost of 1.7 million dollars. General Manager Jorgensen explained the schedule for the repayment of the loan portion from the DDW. The amount of the loan has been determined by how much the DDW felt the community could afford to pay back. The remainder was given for the project as principal forgiveness. Mr. Nielsen stated the proposed water rate is a base monthly charge of \$45.00 with a water allowance of 7,000 gallons and an overage charge of \$1.00 per 1,000 gallons. General Manager Jorgensen explained this is the same water allowance for the minimum charge as the other District systems and the amount was chosen to be consistent.

**Don Courtney** – so if you use one gallon, it is \$45.00 and if you use 7,000 gallons it is \$45.00. General Manager Jorgensen stated that is correct. Lance Nielsen explained this amount is also consistent with systems around the state. Board Member Christensen stated this is a new system and there will be more cost to start with than an existing system.

Mr. Nielsen explained how the rates were calculated with projected growth and overage charges estimates. The rate has to also work for the future. The State requires a 1.25 debt service ratio. The rates were conservative and the rates were again considered with the debt service ratio. General Manager Jorgensen explained a resident had called and was concerned about the proposed rate. She worked with Bill Bigelow today considering other numbers and found the debt ratio could possibly be met with a revised rate scenario. Mr. Nielsen explained the revised rate could be \$40.00 base fee per month with a water allowance of 11,000 gallons. The District Board will make the decision as to the amount of the water rate and amount of water allowed. General Manager Jorgensen explained this is the best rate they could come up with and still maintain the debt ratio.

Board Member Forsgren asked about the impact fee. General Manager Jorgensen explained the impact fee has not been determined. She stated the reason a grant was given is because the system was not just for the existing families but would also serve some growth. There may be some existing homes that may want to hook on but we don't know. General Manager Jorgensen referred to the map showing the line going along Beaver Dam Road and stated we should be considering connections within the vicinity of where the water lines are going to be. Mr. Nielsen then explained there

will be fire hydrants on the system that will eventually result in lower insurance rates for those using it and encourage others to connect. General Manager Jorgensen stated some of the users have water rights for other sources for irrigation and stock watering that were retained in order to use wells and springs.

**Randy Bowen** – stated it depends on the year whether the other water is available.

General Manager Jorgensen explained we want to conserve the water and allow the customers to use what they need but not let it run. The customers will all now have good quality and pressure. Chairman Burt explained there is a cost with this particular project to remove the arsenic from the water and it will be an on going expense. Mr. Nielsen explained this cost has been included in the rate study.

**Scott Erickson** – will there be any way to read our own meters to see if we are using too much water?

Lance Nielsen explained the meters are typically locked. They will have a radio read cover and the wires may be broken if the meter is tampered with. The meter is the property of the District. The usage amounts can be requested. The total usage for the month is on the monthly bill. Mr. Nielsen explained the existing system is not sized large enough to provide the water you need. You will not have that problem any more and there will be a tendency to use more. The pipe has been sized 8” in order to provide enough water for 1500 gpm in case of a fire. You may use more water at first just because there is more pressure coming out of the taps.

**Ruth Erickson** – does this mean when they work on the system, the gravel won’t all go into my pipes?

Mr. Nielsen explained the intent of the new system is that we won’t run into those problems.

Chairman Burt stated he talked to Beaver Dam residents at the fair that are not connected to the old system but are looking forward to it because they cannot drink the well water they now have.

**Ruth Erickson** – asked what will the water taste like?

Mr. Nielsen explained it will be the same water with the arsenic removed and a small amount of chlorination. The intent is to use only enough chlorination to maintain the standards but not to taste like chlorine.

**Randy Bowen** – is it possible to be on it for a while and then come back to another meeting in case we have some complaints or something?

Board Member Christensen suggested looking at it in another year after construction is completed. General Manager Jorgensen stated the revised rate should be recommended and then re-evaluate it in a year after the system has a track record of the expenses and revenue.

Board Member Dave Forsgren moved to close the public hearing and return to the regular meeting. The motion was seconded by Vice Chairman Ross Rudd, Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Stokes, Baugh, Holmgren, Christensen, Forsgren, Rose and Adams voted in favor of the motion with an individual voice vote.

**Resolution 03-2011**

**CONSIDERATION OF THE ADOPTION OF A RESOLUTION ESTABLISHING AND FIXING THE RATE FOR THE SALE OF WATER TO RESIDENTIAL CUSTOMERS IN THE BEAVER DAM SERVICE AREA**

General Manager Jorgensen explained the written resolution provided for the Board in the packet that was mailed to them has the rate that was proposed at the beginning. The Board needs to decide what the rate should be and the resolution will be amended. The board discussed the rate of \$40.00 per month for 11,000 gallons as the base amount.

Board Member Dave Forsgren made a motion to approve the rate at \$40.00 per month with 10,000 gallons a month and after two years, in the fall of 2014 we review and see where we are at. The motion was seconded by Vice Chairman Ross Rudd.

The Board discussed the motion. Board Member Holmgren stated the folks from Beaver Dam thought they would be paying too much but he thinks the customers in Corinne pay \$55.00 per month and most of the local systems have a 10,000 gallon base amount. There was a discussion of other systems and various base water amounts in the area. The amount of the impact fee could be a factor in whether other residents will connect to the system. General Manager Jorgensen stated we have had very little conflict and the people have been cooperative. We would not want to lose their confidence. The contract has been signed with Beaver Dam Water Company and the District owns the system and they are leasing it to run it until the new system is completed. Board Member LuAnn Adams expressed concern that when those attending the public hearing left the meeting they thought the rate would be \$40.00 per month with 11,000 gallons base amount of usage before the overage fee and it would be reviewed in one year. Board Member Brent Rose was also concerned about changing the amount of water.

There was a discussion about the impact fees and whether they would be based on the cost of the system at 1.7 million or the actual amount of the funds used. Mr. Nielsen stated the impact fee would be based on \$240,000 because you cannot charge impact fees on what you did not pay. He stated there is not a preliminary number yet but it will be in a reasonable range of 4,000 to 6,000.

A vote was taken on the motion. Vice Chairman Ross Rudd, Financial Chairman LaRall Thompson, and Board Member Dave Forsgren voted Aye. Chairman Clint Burt, Board Members LuAnn Adams, Brent Rose, Charles Holmgren, Stan Stokes, Bruce Christensen, and Brent Baugh voted Nay. The motion failed.

Board Member Stan Stokes moved to approve the water base amount at 11,000 per month, rate to be \$40.00 with the overage fee to be \$1.00 per 1000 gallons and review after the system has been operation for one year. The motion was seconded by Vice Chairman Ross Rudd. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Stokes, Baugh, Holmgren, Christensen, Forsgren, Rose and Adams voted in favor of the motion.

Board Member LuAnn Adams moved to approve Resolution 03-2011 establishing and fixing water rates for residential customers in the Beaver Dam area with the amendments approved by the Board. The motion was seconded by Vice Chairman Ross Rudd, Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Stokes, Baugh, Holmgren, Christensen, Forsgren, Rose and Adams voted in favor of the motion

### **Beaver Dam Water System Improvement Projects Project Update – Bill Bigelow**

#### **Review and Approval of Bids**

The Board Members were provided with a copy of the two bid summary sheets for the bids on the two Beaver Dam projects that were opened today. The first bid this morning was for the 200,000 gallons storage tank. The engineer's estimate was \$550,000. The low bid was \$521,000 from Dale Cox Contracting out of Ephraim. He is a small contractor but specializes in tanks of this size. Bill Bigelow explained there was not a huge spread on the bids. He explained the contractors went through a pre-qualification process to eliminate contractors who might bid on the projects but were not able to qualify to do the project. The second bid was held at 10:00 a.m. for the Beaver Dam collection area, pump station and pipelines. The engineer's estimate was \$575,000. The low bid was Grover Excavation at \$562,265. They have an extensive resume. They have done small projects for the District and have done a lot of spring development before.

Bill Bigelow gave the schedule for the projects. The bond closing is scheduled for September 13. We would like to begin immediately after that. They may be able to get some work done with good weather. The pipeline needs to go in first to provide an access road to the tank. He also wants to get the spring development done this fall. There are three parties that need to sign easements and the loan cannot be closed until they are signed. General Manager Jorgensen explained the attorney for Beaver Dam Water Company is meeting with Scott Erickson to discuss the prescriptive easements that are already in place on his property.

Vice Chairman Rudd asked about other springs that he participated in their development years ago in that area. Mr. Bigelow explained the Beaver Dam Water Rights included four springs in the area but only one is being used at this time. There has been enough ground reserved in the easements to develop the other springs.

A motion was made by Board Member Dave Forsgren to authorize Bill Bigelow to review the bid documents and proceed to award the contracts to the lowest qualified bidders contingent to the bidder signing all of the required contract documents. The motion was seconded by Vice Chairman Ross Rudd, Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Stokes, Baugh, Holmgren, Christensen, Forsgren, Rose and Adams voted in favor of the motion.

#### **Board Member Reports – Trustees**

**LuAnn Adams** – reported the success of the County Fair. Everyone participated and she was very appreciative of all of the volunteers. We had good attendance and not too many glitches or

complaints. She reported she got an email concerning the designation of wilderness. They are not giving up on this issue and are sending a lobbyist to convince our County officials to comply.

We hear there is a proposal coming from Cache County to take their garbage in our landfill on a fee basis. It is an enterprise account with any funds made there can be put into the general fund for use by the County. There is money in garbage. The local tipping fee may be lowered if more volume is coming to the landfill. There is a lease on the property and at the current way of handling garbage our landfill could last up to 80 to 100 years. The future technology of handling garbage and recycling could increase that life substantially. The Shoshone project for burning the garbage will not be going forward. There was a discussion of the truck traffic and this would be trivial to some of the other projects in the County.

**Brent Rose** – reported LuAnn Adams is the new co-chairman of the Western Box Elder Resource Management with Ken Spackman. There is a kick-off meeting in Park Valley on September 13<sup>th</sup> at 7:00 p.m. having to do with the total environment in western Box Elder County. There are different committees and he is on the Water Committee. He invited the board members to attend the meeting.

**Charles Holmgren** – reported Bear Lake is still at 5921 feet. There is still a lot of water going down the Bear River. There is up to 600 to 1400 cfs of water at Corinne.

**Dave Forsgren** – reported the Mayors and County Commissioners met with Senator Mike Lee on May 29<sup>th</sup>. It was informative and interesting. He is for the balanced budget and a constitutionalist.

**Stan Stokes** – No report

**Bruce Christensen** – No report

**Brent Baugh** – reported he appreciated not being charged an entrance fee at the County Fair. The Board discussed some aspects of the fair.

**LaRall Thompson** – No report

**Ross Rudd** – No report

**Clint Burt** – reported it was shocking how much money was generated by the livestock sales at the fair. He felt there were a lot of Brigham kids involved. It was a successful fair and he complimented those who were working with it.

### **General Manager's Report – Voneene Jorgensen**

General Manager Jorgensen reported the District received the signed water deed for the Beaver Dam project in the mail today and it has been recorded and sent to Dallin Jensen's office to have the record of conveyance filed for the water rights to be transferred to the District.

The plans for the meter change for the Bothwell Water Company have been submitted by Bill Bigelow for us to look at. She will look at the costs and then work with Jay Christensen to negotiate with them on the project regarding who pays what and how much water they will be willing to contract with the District for.

She talked to Mark Larson from Ukon Water Company today and they had a line break under the Malad River so they will be taking our water. She asked about getting a letter of support from the Ukon Water Company Board so we can move forward with the Collinston project funding.

She received the letter regarding the Cloud Seeding project for the coming year. The District has a standing resolution to support this project as long as Cache County is a partner. She will let them know we will be participating. A summary of last year's Cloud Seeding report was provided

for the Board Members at the meeting and she went over the information. She appreciated the support of the project from the Board.

She reported she is the chairman of the TMDL Committee. They are starting the meetings with Mike Allred and they will be doing the lower Bear River from Cutler Dam to the Great Salt Lake again. There is a new coordinator that took Jim Bowcutt's place.

The Water Summit will be held November 29<sup>th</sup> in Provo at the Marriott. She encouraged the Board Members to attend.

The annual barbeque was held and it was a pleasant and enjoyable evening.

She continues to work on the Executive Water Task Force. There is legislation being drafted now regarding the state engineer's authority to rule on change applications and look at the historical use of the water.

A new logo was designed for the District by Michael Jorgensen. He also designed a new display for the fair. The Board Members received hats with the new logo.

General Manager Jorgensen reported Chanshare has paid another payment of \$12,000. Bob Phippen reported there are six to ten semis of sod going out every day from Chanshare.

She and Bill Bigelow met with Ken Wilde at the Division of Drinking Water today and showed him the bids for Beaver Dam. He was very positive for us to move forward. She also talked to him about South Willard. She referred to the balance sheet in the financial reports showing money left in the grant for the South Willard project. She got verbal approval from Mr. Wilde to use some of that money to purchase the existing water line from South Willard Water Company that is in the District's service area. She explained some of the history of that water line. She has previously discussed this with Richard Day and he is willing to entertain a proposal from the District to buy the line. We need to have a basis for putting together our impact fee analysis. This could be a back-up for the trailer court systems there. The Board discussed aspects of the acquisition of this water line. Board Member Dave Forsgren recommended having Hansen Allen & Luce prepare a figure of what this line is worth and approach South Willard Water Company with a proposal for that amount and the Board agreed.

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

The financial statements were prepared and included with the packet mailed to the Board Members. Financial Chairman Thompson asked if the board had reviewed the statements and called for a motion of approval.

Vice Chairman Ross Rudd moved to approve the financial statements as presented. The motion was seconded by Board Member Dave Forsgren. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Stokes, Baugh, Holmgren, Christensen, Forsgren, Rose and Adams voted in favor of the motion.

### **Public Comment**

There were no public comments.

**Adjourn**

Vice Chairman Ross Rudd moved to adjourn the meeting. The motion was seconded by Financial Chairman LaRall Thompson, Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Stokes, Holmgren, Rose, Christensen, Forsgren, Adams and Baugh voted in favor of the motion.

The meeting adjourned at 9:20 p.m.