

**Bear River Water Conservancy District
Board Meeting
Wednesday, October 22, 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 Charles Holmgren, Roger Fridal, Brent Baugh, Tyler Vincent, Jay Carter, Jeffrey Scott, Richard Day, Neil Capener and Russell Howe

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

Visitors: Bill Bigelow – Hansen, Allen & Luce
Alex Buxton – Zion's Bank

Invocation: Board Member Howe

Pledge of Allegiance

Adoption of the Agenda – Chairman Clinton Burt

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

Approval of the Minutes for the Board Meeting held September 24, 2014

The minutes of the meeting held September 24, 2014 were included with the packet that was mailed to the Board Members.

A motion was made by Vice Chairman Forsgren to approve the minutes for the meeting held September 24, 2014. The motion was seconded by Board Member Day. Chairman Burt, Vice Chairman Forsgren, Financial Chairman Holmgren and Board Members Baugh, Vincent, Fridal, Day, Capener, Carter, Scott and Howe voted in favor of the motion.

South Willard Well Project Update

Financing – Alex Buxton, Zion’s Bank

General Manager Jorgensen introduced Alex Buxton from Zion’s Bank. He gave information to the Board in regards to a real property lease from Zion’s Bank for the South Willard Well Renovation Project.

General Manager Jorgensen had explained to him about the well refurbishing and the new pump needed for the South Willard well discussed options to finance the project without going through a bond issue. A real property lease is a direct loan with Zion’s Bank. This type of structure is used frequently with many cities, counties and districts around the State. Zion’s Bank would finance the improvements to the well and the collateral would actually be the improvements to the well. The lease can run for a 3, 4 or 5 year term and could actually go as long as 10 years on a fixed rate depending on the desired annual payment. The interest rate would be a fixed rate anywhere from 1.8% to 2.1%, depending on the length of the loan. There is a \$5,000 set-up fee and that could even be included in the loan so there wouldn’t be any out of pocket expenses if that is what the District would like to do. There is no penalty to pay the loan off before maturity. Some of the requirements for the real property lease are to get title insurance on the property to ensure there are no issues and the District would have to complete an environmental questionnaire. The entire process can be done within about a month. The loan will have annual payments with the first payment due one year after the loan is closed. General Manager Jorgensen would prefer the 5-year loan since there is no early pay penalty. Board Member Holmgren asked why the set-up fee is so high and if the amount was negotiable. Mr. Buxton replied the fee is a standard fee but he is willing to see if they can trim that down for us. General Manager Jorgensen reminded the board that with the Division of Water Resources or the Division of Drinking Water, the District would be paying legal and engineering costs associated with going through the bonding process. Neither of those entities have any grant money at this time. The most attractive feature about the loan through Zion’s Bank is the time element.

Board Member Holmgren made a motion to approve the 5-year loan from Zion’s Bank. Board Member Capener seconded the motion. A roll call vote was taken:

Jeff Scott – Aye	Neil Capener – Aye
Jay Carter – Aye	Roger Fridal – Aye
Russ Howe – Aye	Tyler Vincent – Aye
Richard Day – Aye	Brent Baugh – Aye
Charles Holmgren – Aye	Dave Holmgren – Aye
Clint Burt – Aye	

Project Update – Bill Bigelow

The notice of award has been signed; the contract has been prepared for the well driller and the technical specifications have been prepared and sent to the State for their approval. Also, we have prepared the renovation permit with the Division of Water Rights. The contractor gave us a write-up with some of his concerns regarding the project and one was that it could take up to 8 weeks before we could get the perforated casing. We need to sign a contract with the contractor so that he can begin work because it may be 6 months before the project will be complete and that could put us into April 2015. Vice Chairman Forsgren mentioned to the Board that once the well is drilled, we have to order the pump. We can't order that ahead of time because the pump is ordered based on the water flow after the well is drilled and he asked about the availability of pumps and how long it would take to get the pump after it was ordered. Bill said it may be about 6 weeks or so to receive the pump after it was ordered. Board Member Day commented that if it takes 8 months for the project to be complete, the South Willard citizens may be very unhappy if their well goes down for any reason before this project is complete so we need to be prepared to talk to them about it.

General Manager Jorgensen mentioned that Rob Dean from South Willard Water Company asked about their contract with the District and wants to meet with the District. A meeting is scheduled for November 13.

Collinston Project Updates – Bob Phippen

Bob Phippen presented a slide show of all the pictures taken since the Board Meeting in September. All of the walls on the north tank are now complete. There is a rubber membrane buried inside the cement that extends from the floor to the top of the tank and it seals the two cold joints between the walls. It is then caulked on the inside of the tank. The deck on the north tank was poured this morning. They started with the columns and then put the vent in place. After that they then went over to the south tank and poured the walls on the hatches. He showed pictures of the construction of the pump stations and the equipment being installed and the construction and installation of meters, etc., for Ukon's blending station. Also, the Tremonton meter station was installed today. This allows the District to send water to Tremonton or to take water from Tremonton if needed.

Beaver Dam Re-Claim Tank – Rob Thayne

Rob showed pictures of Clean Harbors cleaning the sludge out of the re-claim tank at Beaver Dam. This is something that has to be done annually. There were thirteen barrels of arsenic sludge taken from the tank. Last year they took out ten barrels. Board Member Vincent warned that we need to get the NADA sheet from Clean Harbors verifying the waste has been incinerated properly.

Trustee Reports – Board Members

Jeff Scott – The County is still very interested in getting water out west in the Corinne Agricultural Park area. They have a number of businesses interested in that area that will need water if the District has any available from Bothwell.

Jay Carter – No Report

Russ Howe – Was wondering about the energy savings in Bothwell as referred to in last month's minutes. General Manager Jorgensen explained that if we have projects that would save on power consumption then Rocky Mountain Power would help pay for the project. She is having Steve Jones from Hansen, Allen & Luce look at Bothwell and also look into how we can save power in South Willard.

Richard Day – No Report

Neil Capener – No Report

Roger Fridal – Since Board Member Scott mentioned the County needing more water; the line from Bothwell to Tremonton is barely big enough to deliver the amount of water currently available. Sometime in the near future we need to think about adding another line from a good source of water. With that new line we could deliver water to Corinne and other places and still keep our current customers happy.

Tyler Vincent – No Report

Brent Baugh – No Report

Charles Holmgren – The Canal Company is working on canal safety and we have met with the conservation district in Tremonton. PacifiCorp is doing some work on the dam spillways so we thought we would take the opportunity when they pull that water down to shut off both canals this fall and do an evaluation on the west canal and east canal. We are trying to see if we can work out our disagreements with PacifiCorp on getting adequate water at high flow. In the past they have indicated that we are partially responsible for their lack of a full water supply. We have also met with Proctor & Gamble and with Greg Poole from Hansen, Allen & Luce with some canal alignment changes for future development of the plant west of Bear River.

Dave Forsgren – Honeyville is talking to Rocky Mountain Power about participating in variable speed devices for power savings. We have met with their consultant and he is working up a proposal for us. Rumor has it that Honeyville Grain is going to expand and they are looking at some property in Honeyville. There was a planning and zoning meeting tonight so he will know more about what their plans are after tomorrow. It will be in a different location from where there plant is now.

Clint Burt – No Report

General Manager's Report – Voneene Jorgensen

General Manager Jorgensen asked for a motion to approve the Conflict of Interest Statement form that was handed out at the September 24, 2014 Board Meeting and signed by all Board Members.

A motion was made by Board Member Scott to approve the Conflict of Interest and Ethics Disclosure Form as written. Board Member Baugh seconded the motion. Chairman Burt, Vice Chairman Forsgren, Financial Chairman Holmgren and Board Members Baugh, Vincent, Fridal, Day, Carter, Capener, Scott and Howe voted in favor of the motion.

The Capitalization Policy that was approved in December 2004 was mailed in the packet. The auditor has recommended that we update the Capitalization Policy and change the amounts in Sections A and B.

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

In our December Board Meeting we will have to approve a new Procurement Policy so we have sent out the 75 page template for you to review. This template has been prepared by the attorney for the Utah Association of Special Districts by approving the new policy it will put us into compliance with the new procurement law. This policy will be discussed at the UASD Conference in the workshops.

The Utah Hydrologic Summary was put in your packet for your information and there is also a letter to the editor in the packet with some positive information on the Bear River Development Project. We will continue to be involved with that project.

The District Christmas party announcement was also included in the packet. After some discussion not many of the Board Members could make it on December 2nd due to other meetings so we will see if it can be changed to December 9th as most everyone can make it that day.

General Manager Jorgensen would like to request to change the November Tentative Budget Meeting from November 12th to November 19th. Since we have to have 30 days between the Tentative Budget Meeting and the Budget Hearing we would need to move the Budget Hearing from December 17th to December 30th at 6 p.m. We will get that noticed in the paper for the meeting changes.

**Financial Business – Charles Holmgren
Approval of Financial Statements**

General Manager Jorgensen discussed some small changes in the Financial Statements that were handed out before the meeting. The changes are associated with the Division of Drinking Water Grants and the Weather Modification.

The financial statements for September 2014 were prepared and provided to the Board Members. Financial Chairman Holmgren asked for the Board to review the financial statements and approve them.

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

Adjourn

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

The meeting adjourned at 8:44 p.m.