

**Bear River Water Conservancy District
Board Meeting
Wednesday, November 8, 2017 7:00 p.m.
Bear River Water Conservancy District Conference Room
102 West Forest Street, Brigham City, Utah**

Minutes

Present: Trustees: Chairman Roger Fridal, Financial Chairman Charles Holmgren, Jeff Scott, Jay Carter, Russell Howe, Neil Capener, Mark Larson, Tyler Vincent, and Jay Capener

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

Visitors: None

Excused: Vice Chairman David Forsgren and Board Member Richard Day

Invocation: Board Member Jay Carter

Pledge of Allegiance: Cassee Harper

Adoption of the Agenda – Chairman Roger Fridal

A motion was made by Financial Chairman Holmgren to approve the agenda as written. The motion was seconded by Board Member Howe. Chairman Fridal, Financial Chairman Holmgren and Board Members J. Capener, Vincent, Larson, N. Capener, Howe and Carter voted in favor of the motion.

Approval of the Minutes for the Board Meeting held September 27, 2017.

The minutes of the Board Meeting held September 27, 2017 were provided to the Board Members before the meeting.

A motion was made by Board Member Vincent to approve the minutes for the meeting held September 27, 2017. The motion was seconded by Board Member Larson. Chairman Fridal,

Financial Chairman Holmgren and Board Members J. Capener, Vincent, Larson, N. Capener, Howe and Carter voted in favor of the motion.

Trustees Reports

Jay Carter - Park Valley had just over 1/10th of an inch of rain last week according to my rain gauge. Things seem to be good. The top of the mountains have gotten a little snow on them.

Russell Howe – We got ½ inch of water at our place. We have put in a couple of fire hydrants on our system. People that are building new homes are required to have a fire hydrant within 500 feet or they have to install a sprinkling system so two of the homebuilders have paid to have hydrants installed.

Neil Capener – Nothing to report. Riverside is doing good.

Mark Larson – I really don't have anything to report. Ukon does appreciate the water from Deweyville.

Tyler Vincent – Brigham City is doing well. The Niagara water plant is up and functional. There will be a ribbon cutting soon, not sure when. We toured the plant, it is a \$100 million plant so they will have to turn some revenue to pay for it. They have the entire operation there, they make the bottles and fill them. Robotics will run all the fork lifts. They haul about 800,000 gallons of water out of the canyon per day. The jobs at the plant start at \$20.78 per hour which is good for our area. They have 48 employees now and at full build out there will be around 80 employees. We have citizens concerned about Brigham City's water, but we have done a study and there is enough water to continue to build homes, etc.

Jay Capener – Not much to report. I see that Tremonton wants to take canal water for secondary water.

Charles Holmgren – Since our last meeting I had the opportunity to meet with three states and their ideas regarding PacifiCorp and their plans for adding three feet of water onto Bear Lake. The three states, Wyoming, Idaho, and Utah interviewed PacifiCorp. Wyoming is happy about the extra storage because it will put Bear Lake at an elevation where they are able to store more water above Bear Lake. There are trigger points as the lake comes down and if three feet are added you'll get to the trigger point much later, but nobody in Wyoming or around Bear Lake has to pay anything for the extra storage. On the other hand, Idaho and Utah aren't so impressed with PacifiCorp's plan and the fees they want to charge to the irrigators to store the extra water. They will want to charge \$55 per acre foot for the water in the lake held above the flood reserve for use to by irrigators. PacifiCorp would have to purchase flood easements in the Thatcher, ID area to accommodate the water that will come over the banks if they miscalculate and they get too much water in Bear Lake and they have to flush a larger stream down through the system.

The Bear River Commission has had six public meetings regarding a review of the Bear River Compact. Every 20 years the compact is reviewed for public input and 20 years ago they created two new committees to deal with water quality and public involvement. Most people I heard at the public hearings are wanting to leave the compact as it is presently, they don't want to amend it or change any of the operations. The Bear Lake folks are pretty concerned about the water quality in Bear Lake and they want a committee to deal with recreation. The concern is that Bear River water should not enter Bear Lake with the sediment that comes in from the Bear River and the pristine status of the lake. Back in 1993 the north dike breached and one of the fisheries biologists said when that happened the fish gained more weight in that year and the following two years than they had in the previous 20 years. Bear Lake is so pristine that there is almost nothing for the fish to eat and when the dike breached they had more to eat. Irrigators and most of the population outside of the Bear Lake interests are satisfied with the way the compact is currently structured and I would like to ask this Conservancy District to draft a short letter and ask that the compact not be amended or changed in any way at this time. In 1977 it was amended so that the folks above Bear Lake could store more water and the Woodruff Narrows Dam was enlarged following that amendment. At that time, they also made an allocation of water that could be developed on the Bear River. Utah was given an allocation of water that will be used in the Bear River Development and Idaho was given 170,000 AF of water to develop. So, what was done between the enlargement of the Woodruff Narrows Dam and the allocation of future developable water on the Bear River to Utah and Idaho was changed in 1977. Then in 1997, the public involvement and water quality committees were created, and now, it has been another 20 years. If they do amend the compact it has to go to the Utah, Idaho, and Wyoming State Legislators and to the Federal Congress for approval.

Jeff Scott – No report

Roger Fridal – Tremonton is still talking about secondary water and we are pursuing it as much as we can because we have no other choice. FYI – Project “Flick” has fizzled. They told us why and we can now proceed because we have been waiting on them for a year and a half. Project “Flick” was a company whose investment would have been about \$120 million. The Lazy Boy building was sold and Comfort Research is using part of the building to make bean bag chairs with plans to expand.

Presentation of Tentative 2018 Budget – Voneene Jorgensen

The tentative budget was handed out to the Board Members at the meeting. General Manager Jorgensen explained the budget summary. She went over all the itemized revenues and expenses for the previous year, the estimated balances for the end of 2017 and the estimated budget for 2018. She stated it is a balanced budget for the fiscal year of 2018 with a total of \$1,890,723.00.

Financial Chairman Holmgren moved to approve the 2018 Tentative Budget as presented. The motion was seconded by Board Member Larson. Chairman Fridal, Financial Chairman Holmgren and Board Members J. Capener, Vincent, Larson, N. Capener, Howe, Carter and Scott voted in favor of the motion.

The date of the Public Hearing for the 2018 Budget Hearing will be December 13, 2017 at 7:00 p.m. in the Bear River Water Conservancy District Board Room. The Public Notice for the Budget Hearing will be published December 6, 2017 in the Box Elder News Journal and in the Tremonton Leader, on the BRWCD website and on the Utah Public Notice Website.

General Manager's Report – Voneene Jorgensen

We have had our meter reading program for about 7 years now. There is a new vehicle based meter reading program that would make the meter reading much simpler. It reads at a much farther distance. The meters could be read as the operators are out doing their chlorine residuals and would only take a couple of hours rather than a whole day. With the package we would get a new program, new computers, a new handheld unit, which cost \$15,000 seven years ago and will need to be replaced in a couple of years, and 20 new meters plus radios. The ballpark cost for the vehicle based system would be around \$25,000.

We are looking at getting a snowmobile and possibly a Kubota for the water operators. During the winter it is very hard to do the monitoring when the snow gets deep.

I would just like to mention that Lenora Lemon passed away and the District will send flowers. She was Lowell Lemon's wife, he was on the Board many years ago, and she is Richard Day's mother-in-law.

The South Willard Line extension has been completed. The contractor just needs to do some clean up.

I went to the Hansel Valley Meeting held by the Division of Water Quality. There were a lot of people that showed up and the meeting went very well. Scott Clark of Barnett Water submitted a written comment and a copy of the Hansel Valley report and the District sent a letter and the summary portion of the Hansel Valley report to the State of Utah emphasizing how important it is to protect the water in Hansel Valley because that is their only supply of water. If it were to be contaminated there would be no other source of water for them.

All the quarterly reports have been done and the transparency reports have been submitted. Every year the Utah Local Governments Trust sends an audit to have our premiums evaluated and that has been done.

A lot of our Board Members attended the UASD Board Member Training in October at the County Commission Chambers. We really appreciate the county setting that up. Certifications for Board Member Training is a required item for our annual audit.

Chairman Fridal, and Board Members Larson and Howe and I attended Utah Water Users Water Summit in Utah County. The agriculture presentation was very good.

Bill Bigelow and I met with Michael Grange from the Division of Drinking Water regarding the District's Collinston water source and drilling a test well. It can cost \$75,000 to

\$80,000 for one well and \$150,000 for two wells if we don't hit water the first time. We will need to take a loan out for this and we strategized what the best options would be for the District. We could 1) bond for the test well and the production well at the same time or 2) bond for test well then bond again for production well; that would be two bonds to close and go through the process twice, which is laborious and expensive or 3) at the first of the year request a planning grant for \$40,000 from the Division of Drinking Water and then have the balance be paid by the District from District funds. If we did that the money spent by the District on the test well could be used as the sponsorship part of the bond for the production well.

Blue Ox Development came to discuss their development in South Willard. Their plan has six 12-plexes on 145 acres between South Willard and Willard. Bill Marsh previously owned the property. It is a life cycle development where there are homes for every stage of life, from apartments to patio homes for the elderly. They have talked to South Willard Water Company, but they haven't decided whether to sell them water. Blue Ox would like water from the District but to do that we would have to run a line all the way down Highway 89 through South Willard Water Company's service area. We talked about several different options for them, one was to have them drill a well and put in their water system then turn the water system over to the District for operation, another was to have South Willard Water Company purchase more wholesale water from the District for their development. The District has limited water rights and the water would be for indoor use only. Board Member Scott mentioned a meeting he had with them on October 19th and mentioned that the residents are afraid their development will impair their springs on the mountain.

Board Member Howe asked about expanding the line from Bothwell to Tremonton and, if there is a real need, to bump that project up to do in the next year or two. General Manager Jorgensen said it has been talked about and has been designated as a project in the Master Plan.

There has been a lot of talk and a significant effort for Boards to respond to the checklist of List of Best Practices and to act upon the checklist. The list includes the Roles of the Board and Staff, Internal Controls, Recruiting Qualified Personnel, and Tone at the Top which defines the ethical standards. The District received a letter signed by the President of the Senate and Speaker of House saying that because of the serious nature of the problems and concerns identified they will continue to aggressively review Limited Purpose Entities for compliance with this Best Practices List. They intend to assign the Auditor General annual follow up reviews to verify that the Best Practices have been successfully implemented. Concerns have arisen with many Limited Purpose Entities regarding fraud, waste, abuse, and poor management. In response to these concerns the Legislative Auditor General has been asked to conduct a survey of internal controls used by a sample of the Limited Purpose Entities. Here at the District we have internal controls in place so that all accounts, etc., are looked at by 2 or more people on a regular basis. One thing we need to start doing this year is have all the District's open accounts approved annually by the Board. We will have a list of all open accounts to be approved at our December 2017 meeting. It was recommended by Board Member Scott that the District add a Grievance Procedure to our Personnel Policy. Usually one person is assigned as a compliance officer and they are the person that someone would take a complaint to and not fear any retribution. One of the Board Members would be assigned as the compliance officer. The Board

should think about the policy and if someone wants to volunteer as the compliance officer we can have them appointed next month.

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

The financial statements for September 2017 and October 2017 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 Carter to approve the financial statements as presented. Board Member Vincent seconded the motion. Chairman Fridal, Financial Chairman Holmgren and Board Members J. Capener, Vincent, Larson, N. Capener, Howe, Carter and Scott voted in favor of the motion.

Public Comment

There was no public comment.

Adjourn

A motion to adjourn the meeting was made by Board Member Scott. Board Member J. Capener seconded the motion. Chairman Fridal, Financial Chairman Holmgren and Board Members J. Capener, Vincent, Larson, N. Capener, Howe, Carter and Scott voted in favor of the motion.

The meeting adjourned at 8:50 p.m.