

**Bear River Water Conservancy District
Board Meeting
Wednesday, January 26, 2011 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, Charles Holmgren, Brent Rose, Brent Baugh, Richard Day, Stan Stokes, Commissioner LuAnn Adams and Bruce Christensen

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

Visitors: Bill Bigelow (Hansen Allen & Luce), Marla Young (Box Elder County Clerk)

Excused: Board Member Dave Forsgren

Invocation: Board Member Stan Stokes

Adoption of the Agenda

An amended agenda was provided at the meeting for the Board Members. There were no changes to the amended agenda.

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

Adoption of the Minutes for the meeting held December 15, 2010

A copy of the draft minutes of the meeting held December 15, 2010 was included with the packet mailed to the Board Members. There were no changes to the minutes.

Vice Chairman Ross Rudd moved to approve the minutes as written of the meeting held December 15, 2010. Financial Chairman LaRall Thompson seconded the motion. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Day, Christensen, Holmgren, Stokes, Rose, Baugh, and Adams voted in favor of the motion.

**Trustee Oaths – Marla Young, Box Elder County Clerk
LuAnn Adams – Box Elder County Commission
Ross Rudd – Portage-Plymouth-Fielding
Brent Rose – Western Box Elder County**

Box Elder County Clerk, Marla Young gave the oath of office to new Board Member Commissioner LuAnn Adams and to re-appointed Board Members Brent Rose and Ross Rudd.

Chairman Burt welcomed Commissioner LuAnn Adams to the Board and asked if she wanted the board members to introduce themselves. She stated she knew the Board Members and felt it was an honor to serve on the Board. She expressed her hope that she can live up to everyone's expectations.

Board Member Reports – Trustees

Ross Rudd: reported he hears comments mostly from a few who are dissatisfied with our renter.

LaRall Thompson: No report

Brent Baugh: reported he heard the steam well is supposed to be going back in and they are going to start drilling again down the old well. Chairman Burt reported what he knew about the project. He thought there is a different investor and the technology has changed. There has been a lot of activity this week where the old steam well was. Board Member Baugh then reported that Procter & Gamble is into production and shipping product.

Bruce Christensen: reported Procter & Gamble is operating under a state permit. The state has still not granted Brigham City a permit to take water back but they are sending a lot of water out there. Brigham City is putting in a water loop line west of Brigham City, about where 1200 West would be and about 500 South. It goes down Valentine Lane and will eventually go to SR 13. It will be an additional water loop line for development there and another line to give Procter & Gamble redundancy. Eventually there will be a road there.

Stan Stokes: No report

Richard Day: reported South Willard Water Company is going to pursue a secondary water system.

Charles Holmgren: reported the Bear Lake interests have enlisted help from Senator Knudsen on legislation to protect the pristine water on Bear Lake. They are saying it is to prevent industrial development in the Bear Lake Valley. They are having the Canal Company attorney review the resolution or legislation to determine the impact on Pacificorp or the irrigators. He did not know the resolution number. LaRall Thompson requested information about the lake level. Board Member Holmgren stated it is about 5910 now and they anticipate it will go to 5916. 5918 is about as high as Pacificorp can handle without flood concerns and liability issues. The irrigators would like to see it

at 5923.65 every year. The Canal Co. will probably use very little water out of Bear Lake this year with the amount of the snow pack right now.

Brent Rose: commented on the cloud seeding project. This winter they have not been asked to turn the generator on in Park Valley. He was concerned about that because he thought there were some storms that would be affected. He asked about representatives from the District coming to Park Valley to look at the school's well. General Manager Jorgensen inquired when Bill Bigelow could go and it will probably be in April or May. The school district is asking for advice regarding the well. Board Member Holmgren stated the cloud seeder he operates has only been used four times. General Manager Jorgensen explained the report contained in the Board Member's packet stated there were four storms seeded. She then explained the charges the District will pay are according to generator hours used along with the set up and take down charges. The report gives the amount of generator hours used with each storm. The report also shows the water year is now 180% for the year beginning October 1st.

Clint Burt: No report

LuAnn Adams: reported there are seven proposed wilderness areas in Box Elder County with a new order that took place on December 23rd. A letter has been sent to Congressman Bishop and he is doing what he can. It goes against the 1964 Wilderness Act. Richard Day explained there will be a public hearing at the County Planning Commission. It will affect grazing and fly over areas for HAFB. It will come to the County Planning Commission to review. The order affects BLM land in the western states.

General Manager's Report – Voneene Jorgensen

The General Manager reported the IRS mileage rate has changed to .51 per mile. An updated travel voucher form was provided to the Board Members.

She then continued to report on the Cloud Seeding project and felt it was very positive. She appreciated the state participating with 50% of the cost. The District has received a check for \$18,469.00 as the reimbursement from the state for 75% of their participation. The additional 25% will be invoiced after the completion of the project and all the costs are reconciled.

South Willard Project Update

General Manager Jorgensen stated we are almost at completion with the South Willard project. We are still waiting on the operating permit. The state gave us a waiver for pesticides testing because there were no pesticides used on the property above us. We assumed we did not have to do the pesticide testing but they require it initially to obtain a base line. We also needed the radium tests. We have ordered the tests and are awaiting the results. The waiver will then take effect and we won't have to do these tests again. The next step is to finish the capital facilities plan and get the impact fee study done. A meeting is needed with Richard Day and the South Willard Water Company to talk about moving the church over to our system and the issues involved. General Manager Jorgensen asked if that can be set up for next week. Fencing around the pump station still

needs to be installed and there has been some consideration of how to use the remainder of the grant funds. The water line could be extended further south to entice more customers to connect. The District needs to obtain more customers for the system.

Harper Ward Fire Flow Project Update

Board Member Dave Forsgren asked to be excused. He is attending another meeting with Honeyville City. He left a message today that everything has been completed to connect our system with Honeyville so tomorrow we have fire flow in Harper Ward. One more hydrant will be finished in the spring. There was only one hydrant location of the seven in question located where our line was covered by asphalt. All of the materials have been paid for and the District will only pay for the labor on the final hydrant. Bill Bigelow advised the District to keep the contract open so the District is covered by the insurance and bonds. Mr. Bigelow is preparing a change order extending the completion date of the project and it will be given to the contractor.

Collinston Project Update

General Manager Jorgensen then reported she talked to Mark Larson and Larry Petersen of Ukon Water Company just prior to the meeting regarding the status of the Collinston project. She has been trying to get a meeting with Mart Anderson of Riverside/North Garland Water Company to discuss water demands for the future before proceeding with the project. Board Member Richard Day asked a question about whether the District would wholesale more water to Riverside/North Garland. General Manager Jorgensen explained there would be additional wholesale water to Ukon Water Company to help with the arsenic problem and also more wholesale water to Riverside/North Garland. There will be retail service to residents of Collinston from the system. As soon as a meeting with Riverside/North Garland is held, the District can move forward with contacting Collinston residents. Cindy Tugaw is willing to help with this and we may set up a committee. General Manager Jorgensen stated Riverside/North Garland is supportive of the District. They have increased their subscription from 10 acre feet to 30 acre feet and they want to secure a source for the future. She believes they are willing to participate in the project. She will continue to work on this.

Beaver Dam Project Update

General Manager Jorgensen reported there has been good progress on the Beaver Dam project. A meeting was held last Friday with Kelly Hansen from Beaver Dam, Lance Nielsen from Hansen Allen & Luce who will be the project engineer and our operator, Bob Phippen. We received and update on the title reconveyance. We have had 22 water right titles to re-convey. There are now only two that are left. We have received two bids on providing power for the project. We have been looking at options for where to place the pump station and reservoir in relation to the power source. We received a cost estimate to do the NEPA (environmental impact) study and it was better than expected. We need to have the environmental study completed before we can close with the Division of Drinking Water for the loan and grant. The design and easements for the water lines will soon be finished. The District received a check from the Army Corps of Engineers for \$82,820.00 that is our 75% reimbursement for the expenses submitted.

Rural Water & UWU Conferences

The conferences for Rural Water and the Utah Water User's Workshop are coming up in March to be held in St. George. General Manager Jorgensen asked the Board Members to fill out the forms they were given indicating if they will attend. She indicated these are excellent training and classes for the Board.

She then reported she spent most of the day in Salt Lake City at a meeting with the Division of Water Resources discussing the draft of the Bear River Pipeline Corridor Study. The costs for this project are proving to be very expensive and that is making people so some re-thinking and start looking at different reservoir sites. This has been an ongoing study for the last thirty years. She had to reinforce it again today that our County's existing water is not part of the project. The majority of the report has been well done but the draft is still being adjusted. There is a proposal to phase the project to help with the costs but the phasing was not acceptable to Bob Fotheringham and her. The project is very important to our county. It will be good to have the final report completed.

General Manager Jorgensen then reported the District has a request for our conference room to be used as a class room for a 4-H training class sponsored by the Box Elder County Extension. She supports the 4-H programs but believes there are special issues with allowing children to use our facility. She obtained legal advice from our attorney and advice from our liability insurance agent. She informed the Board of some of the issues involved with allowing this kind of activity at our building, for example: there are no facilities to pick up and drop off children, there is a garage and workshop with access to chemicals and tools, there is only one entrance, there are ADA issues with our building, there is not staff available to monitor the usage, etc. She received a letter from Craig Terry with advice on this issue stating the use of the building for children is not advisable. She was concerned about our liability and was advised the more help we offer the more liability we take on. General Manager Jorgensen suggested the District needs to be consistent in what groups are able to use our facility and a policy should be written and adopted by the Board. She will begin to make a list of criteria for the policy.

System Operator, Bob Phippen presented a slide show of the photos taken at the connection site between the Harper Ward System and Honeyville City that will provide the water for fire flow.

BRWCD Website – Judy Hartvigsen

Administrative Assistant, Judy Hartvigsen gave a presentation introducing the Board Members to the BRWCD website. The website is accessed at www.brwcd.com and is a resource for the Board, for our customers and the public.

**Financial Business – LaRall Thompson
Approval of the Financial Statement**

The financial statements were prepared and given to the Board Members at the meeting. General Manager Jorgensen explained the statements have not been adjusted yet for the end of the fiscal year. The statements showed the total of tax revenue received for the year was \$630,428.00 which is \$55,000 more than was budgeted. She reviewed the net income for the year and the balance sheet with the Board. At the end of the year, there is about \$460,000 left in the South Willard Escrow Account. She discussed further ideas for using the rest of the money from the South Willard project. There is still a fence to be installed and we need to update our meter reading equipment. The final payment has not been made to the reservoir contractor as we are waiting for their payment request. General Manager Jorgensen invited the Board Members to come into the office at any time and look at any of the financial information. There was a question regarding the amount owed by Chanshare. General Manager Jorgensen explained the District is owed \$36,000 for the remainder of the power bill. The accounts receivable total includes the money owing from Chanshare and all of the wholesale customers for the 4th quarter. Bruce Christensen explained the ratio for assets and liabilities and return on equity look very good. Board Member Holmgren asked for clarification on one item on the check register. General Manager Jorgensen asked the Board for approval of the financial statements knowing there will be journal entry adjustments made to finalize the year end.

Board Member Charles Holmgren made a motion to approve the tentative financial report as discussed. The motion was seconded by Vice Chairman Ross Rudd. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Day, Holmgren, Baugh, Stokes, Christensen, Rose and Adams voted in favor of the motion.

Unfinished Business – Chairman Clint Burt

There was no unfinished business discussed.

Personnel Compensation – Vice Chairman Ross Rudd

Vice Chairman Ross Rudd stated it has been years since the General Manager has been given a merit raise. The financials have just been presented and they are in good shape. General Manager Jorgensen stated it has been a long time since she received a merit increase but she has received some cost of living increases. Vice Chairman Rudd explained he was concerned about the increase in responsibility and the change in job description for the General Manager. Commissioner Adams stated the County employees did not get raises last year. She explained what the county does for merit increases. Bruce Christensen stated Brigham City uses a pay for performance program where reviews are made to determine if goals are being met. They also use a market study to make sure there are no positions that are way below what they should be. The cost of living increase comes into play if the costs have gone up. Vice Chairman Rudd expressed his appreciation to the General Manager for what has been accomplished and her job performance. He proposed a rate increase of 6% to 8%. He felt she has done an excellent job. Chairman Burt stated our General Manager is

recognized all over the state for her performance. Financial Chairman Thompson stated he works with her every two weeks and knows what she does and she deserves it.

Board Member Charles Holmgren moved to give the General Manager an increase of 7%. The motion was seconded by Financial Chairman LaRall Thompson. A roll call vote was taken. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Day, Holmgren, Baugh, Stokes, Christensen, Rose and Adams voted in favor of the motion.

General Manager Jorgensen thanked the board for this consideration.

Public Comment

There were no public comments.

Adjourn

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

The meeting adjourned at 8:53 p.m.