

**Bear River Water Conservancy District
Board Meeting
Wednesday, February 24, 2010 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, Brent Baugh, Dave Forsgren, Commissioner Brian Shaffer, Brent Rose, Richard Day, and Stan Stokes.

Staff: General Manager Voneene Jorgensen, System Operator Robert Phippen and Administrative Assistant Judy Hartvigsen

Visitors: Bill Bigelow and Bill Luce (Hansen, Allen & Luce),

Excused: Board Members Bruce Christensen and Charles Holmgren

Invocation: Board Member Stan Stokes

Adoption of the Agenda

There were no changes to the agenda.

A motion was made by Board Member Dave Forsgren to adopt the agenda as presented. The motion was seconded by Vice Chairman Ross Rudd. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Rose, Baugh, Forsgren, Stokes, Day and Shaffer voted in favor of the motion.

Adoption of the Minutes for the meeting held January 27, 2010

A copy of the draft minutes 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 of January 27, 2010 as recorded. Financial Chairman LaRall Thompson seconded the motion. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Rose, Baugh, Forsgren, Day, Stokes and Shaffer voted in favor of the motion.

South Willard Project Update – Bill Bigelow, Hansen Allen & Luce

This item was moved to later in the agenda.

Board Member Reports – Trustees

Brent Rose: reported on the snow pack in his area. The water year is probably ahead of last year. He believes it is probably 80%. They got 3 or 4 inches of moisture today and there is a lot of snow left to melt.

Richard Day: No report

Brian Shaffer: reported the county got a \$6.7 million federal grant to be spent in the first district which is Hansel Valley, Howell and Blue Creek area watershed district. It is 25% match money to repair infrastructure that was damaged in the June flooding of last year. That district will have to work to come up with contributions for the matching funds that will determine the amount of funding they will be able to capture. The County is following the legislation HB 131 that concerns counties not participating with cities on road repairs and things like that but turning these projects over to contractors. Box Elder County now provides a lot of assistance to the small cities in the area and is against this bill. The League of Cities and Towns is actively opposing this bill as well. Hopefully, there will be a good outcome.

Dave Forsgren - reported they poured the roof of the new reservoir for Honeyville last Friday. They will wait 10 to 14 days before taking the forms out of the inside. They will then get it cleaned up and put some water in it. Hopefully, they have a good reservoir. It has been a good winter for the construction. There has not been much down time.

Stan Stokes: No report

Brent Baugh: No report

LaRall Thompson: No report

Ross Rudd: reported he missed being at the last meeting and expressed appreciation for the member's efforts. He expressed concern with challenges up north with some real estate and development issues. The Board discussed development issues including access to property and fire flow requirements. Board Member Rose spoke concerning the lack of street signs in the County.

Clint Burt: reported on the snow pack levels and read a report from Randy Julander stating Trial Lake is really poor at only 50%. The areas of Tony Grove, Bug Lake and Franklin Basin are much better and about 80%. Bear Lake level is up but there is not much snow cover around it.

South Willard Project Update – Bill Bigelow, Hansen Allen & Luce

Storage Reservoir Repair Estimates

Bill Bigelow gave a report on the South Willard project and explained since the last board meeting we have made progress and some work has been done. We are at the point now where the contractor has offered several options to seal the tank. Mr. Bigelow explained the different options. One option is to go on the inside and find all the cracks and seal them. Another option is to fill it with six feet of water and put cement into the water to seed it. Either one of these options may get the tank to pass the leak test but neither would be 100% guarantee. The third option, which is the most expensive, is to put in a heavy flexible membrane that stays elastic for the life of the tank. He favors this because the District will have this tank for 50 years so we want the repair to last. The contractor only warranties the tank for one year. Board Member Forsgren pointed out that after the backfill of the tank it will be impossible to repair any leaks or even see them. Mr. Bigelow presented the contractor with a proposal for the District to pay the difference in cost for the membrane option. The contractor was agreeable and we are now in the process of negotiating the amount. The membrane would start at the floor and go up six to eight feet up the tank walls. General Manager Jorgensen stated we are hoping the District's cost share will be about \$8,000. This option will be a sure fix and a good investment. Mr. Bigelow agreed and stated with a 50-year tank, we want the best fix possible.

Vice Chairman Ross Rudd moved to approve the recommendation of the General Manager for the membrane installed in the tank and move forward. The motion was seconded by Board Member Richard Day.

The discussion continued with Board Member Forsgren questioning whether the District would participate up to the amount of \$8,000. The Board discussed whether they should set a cap on the amount. Mr. Bigelow stated they are still negotiating the actual price and the contractor has not agreed to the \$8,000 price yet. General Manager Jorgensen stated the District would like to get the project finished and closed out but we don't want to spend any more than we have to. Mr. Bigelow explained some of the possible causes for the cracks. General Manager Jorgensen stated the reason we want do this is because we don't want to risk the \$4,000 fix that the contractor will use because it is the cheapest. We are negotiating for a better product.

Board Member Forsgren amended the motion to negotiate the cost from \$8,000 to \$10,000. Board Member Brent Baugh seconded the amendment and Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Rose, Baugh, Day, Stokes, Forsgren and Shaffer voted in favor of the motion.

A vote was taken on the original motion and Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Rose, Baugh, Day, Stokes, Forsgren and Shaffer voted in favor of the motion.

General Manager's Report – Voneene Jorgensen

General Manager Voneene Jorgensen reported the two other contractors of the South Willard project are really close to being closed out and Mr. Bigelow has received the last information he needs to close out Rupp Trucking's contract. There were two things left on the pump house to be fixed so that contract can be closed out. She appreciated the support of the Board to move forward with negotiations to fix the reservoir.

Capital Facilities Plan

Board Member Day suggested a change to the name on the Capital Facilities Plan from "South Willard Water System" because he felt it will be confused with "South Willard Water Company". The Board discussed some ideas to solve this problem. General Manager Jorgensen asked the Board to read the plan and make comments.

Impact Fee Study

The impact fee analysis that was sent to the Board in the packet needs to have more work done and there are corrections to be made. It was received in the office only one half hour before we had to mail it out. There are some discrepancies with the Capital Facilities Plan that need to be corrected.

General Manager Jorgensen then reported on the current legislative issues that are a concern. She explained SB 172 that is sponsored by Senator Bramble would require Districts to have elected boards in order to have taxing authority. The UASD has fought hard against the bill. Now, a new substitution has been made that goes back to some of the original provisions and is very harsh on districts. The canal safety bill has passed the house. This is HB 60 sponsored by Fred Hunsaker. She hopes this bill will be successful over the other proposed bill that would be very expensive and hard for canal companies to comply with. Water Banking (HB 84) is the other bill that is interesting. The concept is good but the UASD is opposing it. The Farm Bureau is supporting it. The water community is not supporting it because it gives any local district or county the authority to create a water bank. The bill is being pushed by Bob Fotheringham and Cache County so they would be able to manage water without having a water conservancy district. One concern is that we do not know the impact to the downstream users.

The audit for the District is continuing and progressing. The audit report will be presented at the annual meeting in March.

The Board Members were given a draft copy of the update for the District's "Rules and Regulations for Retail Water Service" for review and comments. The update will be discussed at the next board meeting.

The meeting of the Water Quality Board will be on March 24, 2010 to make the determination of our petition to classify the Bothwell Pocket aquifer as 1B. There have been comments received from Wasatch Integrated Waste Management. In talking with Dan Hall, General Manager Jorgensen has been told that our petition is in compliance with the regulations and we feel like the water is an irreplaceable source. The comments state we can get water elsewhere in our vast system. Our attorney, Dallin Jensen is preparing a response to the comments and Marv Allen, of

Hansen Allen & Luce will be available to answer any questions. We do not believe there is any basis for a “Taking” because the permit for a landfill has expired. Vice Chairman Rudd made a suggestion to have the Water Quality Board visit our area and see our system. He felt it is very unique and very important that they should see it. General Manager Jorgensen stated the discussion of whether a landfill should be in White’s Valley should be in the hazardous waste arena and not the aquifer classification area. She is hopeful that the Water Quality Board will approve the classification and not table it because of the negative comments. She believes the board will approve it because it falls within the rules and those in opposition can pay for studies to have the classification repealed if it proves unwarranted. The meeting of the Water Quality Board is the same day as our annual meeting.

Secondary Water System Study – South Willard

General Manager Jorgensen reported on her meeting with Richard Day. They discussed the scope of the project. She received some proposals from Terel Grimley today on the costs to do the study. She explained we need to look at these and discuss them then draw from both of them. The issue is that it is uncomfortable to ask potential secondary water users to pay up front for a study without giving them any kind of idea what the system will cost them to have and use. We need to be able to give them information for the costs and serviced area before asking for support from people who are there. She gave the example of the Harper Ward project and how the costs and options for project were known before approaching the people for support. We need to have the project defined to know fees and costs. We already know there will be enough customers that it will make the project feasible. General Manager Jorgensen proposed the District fund the study up front and be reimbursed for the cost later by user fees, impact fees, connection fees or with funds from the construction loan. The money can come from the current budget under the Exploration and Studies line item. There was a discussion of how long it would be before the money could be recovered. Board Member Day stated he believes many people will buy in when they see the pressure come on. General Manager Jorgensen did inquire of the Division of Drinking Water if the grant money could be used for the study but they will not allow any use of it for secondary water even though the purpose is purely for the conservation of the culinary water supply. Board Member Day explained existing secondary system lines have already been constructed in the subdivisions that are existing. The District will not fund any construction. Pineview will do all of the funding and construction of the project. The District will be involved in scoping the tasks of the study. General Manager Jorgensen stated it is important to combine the information we already have. The District has previously completed a preliminary secondary water study for the area. The discussion continued wherein the history of the South Willard Special Service District was reviewed and an explanation was given of the District’s responsibility for the secondary water system in the area.

Board Member Forsgren suggested making a loan of the money to Pineview to be paid back to the District with funds they receive when the system is up and running. Vice Chairman Rudd stated the District has a very expensive investment in the South Willard system. Board Member Stan Stokes stated funding the study is a small price to pay to protect our investment.

Vice Chairman Ross Rudd moved to finance the secondary water study for up to \$35,000 and move forward with it. The motion was seconded by Board Member Dave Forsgren.

The discussion of the amount to fund the study continued. General Manager Jorgensen stated she would be uncomfortable going over that amount.

A vote was taken on the original motion and Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Rose, Baugh, Day, Stokes, Forsgren and Shaffer voted in favor of the motion.

General Manager Jorgensen reported some Board Members and staff will be attending the Rural Water Conference and heading to St. George on March 1st. They will bring back lots of good information.

She expressed her support of the Board with the issues discussed and she enjoys meeting with them.

Financial Business – LaRall Thompson Approval of the Financial Statement

The financial statements were prepared and included in the packet that was mailed to the Board Members. Treasurer LaRall Thompson asked if the Board had reviewed the financial statements and requested a motion to approve them.

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

Public Comment

There were no public comments.

Adjourn

Vice Chairman Ross Rudd moved to adjourn the meeting. Commissioner Brian Shaffer seconded the motion. Chairman Burt, Financial Chairman Thompson and Board Members Rose, Stokes, Baugh, Forsgren, Day and Shaffer voted in favor of the motion.

The meeting adjourned at 8:20 p.m.