

**Bear River Water Conservancy District
Board Meeting
Wednesday, February 19, 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 Ross Rudd, Jay Carter, Charles Holmgren, Brent Baugh, Richard Day, David Forsgren, Roger Fridal, Tyler Vincent and Jeff Scott

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

Visitors: Bill Bigelow (Hansen Allen & Luce), Matthew Millis (Zion's Bank), Marla Young (Box Elder County Clerk), Bill Bingham, Paul Leonhardt, Judy Leonhardt, Rodney Clark, Hunter Barrus, James Ashby, Sharon Ashby and Craig Feller

Excused: Financial Chairman LaRall Thompson

Invocation: Vice Chairman Ross Rudd

Adoption of the Agenda – Chairman Clint Burt

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

Approval of the Minutes for the Board Meeting held January 29, 2014

The minutes of the meeting held January 29, 2014 were included with the packet that was mailed to the Board Members. Board Member Fridal explained the corrections to the minutes.

A motion was made by Vice Chairman Rudd to approve the minutes for the meeting held January 29, 2014 as corrected. The motion was seconded by Board Member Baugh. Chairman Burt, Vice Chairman Rudd and Board Members Holmgren, Carter, Scott, Forsgren, Fridal, Vincent and Baugh voted in favor of the motion.

**Trustee Oaths – Marla Young, Box Elder County Clerk
Jeffrey D. Scott – Box Elder County Commission**

Box Elder County Clerk, Marla Young, administered the oath of office to appoint Board of Trustee Member Jeffrey D. Scott. He was appointed by the County Commission on January 29, 2014.

Water Rate Study Presentation – Matt Millis, Zion’s Bank Public Finance Dept.

General Manager Jorgensen welcomed all of the Collinston residents that came to the meeting for the Public Hearing on the Water Rate Study for the Collinston Culinary Water Project. It is a requirement that we do a Water Rate Study and set water rates for the project. All this has to be completed before we can close the bonding for the construction of the project.

Matt has done several projects for the District. He will give a brief overview of the policy and calculations and final rates that have been developed for the Collinston Culinary Water System. We are completing the culinary water user rate analysis and have developed the rate structure. The sole purpose of a user rate is to recover the cost of operations and capital expenses. A public entity is not intended or allowed to generate a profit. They are only allowed to cover the actual operation and maintenance expenses and nothing more. There are times when money needs to be saved in anticipation of future projects that may come down the road but that money is always ear-marked for a specific purpose and project. The rates proposed for the Collinston System are very consistent with how the rates have been structured and managed for the other District retail systems. We are proposing is a \$40 per month base fee for all connections. This will include 7,000 gallons of culinary water usage with the cost above 7,000 gallons to be billed at the rate of \$1.00 per 1,000 gallons. There are approximately 54 existing connections for the Collinston System with 20 of those existing connections being what we refer to as “dry taps”. A dry tap is when and a connection was purchased even if there isn’t necessarily a home to be served. The purpose of this is to buy a connection at a lower price than what will ultimately be offered in terms of the impact fee. What we are proposing with the dry tap system connections is a monthly reservation fee of \$10 per connection that would change to a \$40 monthly base fee after 5 years. Dry taps need to pay to maintain the water capacity for the dry tap and also for basic and non-productive operation and maintenance expenses that are related to the dry tap. This includes the cost of maintaining and inspecting the system and pipes and keeping it in a condition so that when the dry tap does take water the infrastructure is in good shape to be able to deliver that water. The connection fee is currently set at \$4,000 before construction begins and we estimate the final impact fee will be at least \$6,000. The rates imposed today are anticipated to be good for some period of time into the future, but as with everything, there may be cost increases and inflation increases so we may have rate increases in the future as the need arises. General Manager Jorgensen noted the District has only had one rate increase in 15 years and we would only have a rate increase if it became necessary in the future, there will not be a set increase every year.

Board Member Richard Day arrived at this time.

General Manager Jorgensen noted that the purpose of the Collinston Project is twofold; 1) is to bring a water system to the Collinston area, and 2) to help Ukon Water Company bring quality water to their tank to blend with their water to bring them into compliance for the Drinking Water Standard for arsenic. It is hoped that the system will be completed by December 31, 2014. One of the residents wanted to know why the water line didn't extend to certain areas as some people in Beetonville are out of water and need it. General Manager Jorgensen had looked into taking the line down to Beetonville but it would cost an additional \$100,000 and it put the cost of the project too high. The resident asked if there are any resources for people who don't have water. General Manager Jorgensen explained we can always go back and ask for more grant money but feel we are taking on as much debt as we can at the time. It was asked if the residents of Beetonville want water would they have to come up with \$100,000? If bids come in low enough and we have extra money we can make a choice to extend the water line down to serve more people. Another resident asked if the water going into the Ukon water tank will be coming back out to serve the Collinston area? Bill Bigelow explained that the District will provide one-way flow to the Ukon water system for blending purposes only. A question was asked about water treatment and if the water would be fluoridated. General Manager Jorgensen explained water will be treated with a little chlorine and will be tested 3 times a week by Deweyville before the water is delivered to the District but will not be treated with any fluoride.

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 COLLINSTON CULINARY WATER SYSTEM

Open of Public Comment

Chairman Burt called for a motion to open the public hearing.

Board Member Forsgren moved to open the Public Hearing to receive input for the proposed water rate study for the Collinston Culinary Water System. The motion was seconded by Board Member Vincent. A roll call vote was taken:

Clint Burt – Aye	Ross Rudd – Aye
Brent Baugh – Aye	Tyler Vincent – Aye
Roger Fridal – Aye	David Forsgren – Aye
Richard Day – Aye	Charles Holmgren – Aye
Jay Carter – Aye	Jeff Scott – Aye

Public Hearing – Public Comment

There was no public comment.

Closing of Public Comment

A motion was made by Board Member Forsgren to close the Public Hearing. The motion was seconded by Board Member Day. A roll call vote was taken:

Clint Burt – Aye	Ross Rudd – Aye
Brent Baugh – Aye	Tyler Vincent – Aye
Roger Fridal – Aye	David Forsgren – Aye
Richard Day – Aye	Charles Holmgren – Aye
Jay Carter – Aye	Jeff Scott – Aye

General Manager Jorgensen stated that a motion was needed if the Board was ready to approve the water rate as presented along with the reservation fee. Board Member Scott asked how many connections are needed before the system could become self-sufficient. Matt Millis didn't know that actual number but estimated about 200 connections would be needed to become self-sufficient. Board Member Scott asked how long the contract is with Deweyville to purchase their water. General Manager Jorgensen stated it is a 10-year renewable contract.

Board Member Fridal made a motion to adopt the \$40 per month base fee for 7,000 gallons with \$1.00 per 1,000 gallons over the 7,000 gallons and a reservation fee of \$10 per month for dry taps. Board Member Carter seconded motion. A roll call vote was taken:

Clint Burt – Aye	Ross Rudd – Aye
Brent Baugh – Aye	Tyler Vincent – Aye
Roger Fridal – Aye	David Forsgren – Aye
Richard Day – Aye	Charles Holmgren – Aye
Jay Carter – Aye	Jeff Scott – Aye

Trustee Reports – Board Members

Ross Rudd – No report.

Brent Baugh – Commented that it is amazing what the snow pack is since last board meeting. It is wonderful how we have turned around so quickly.

Tyler Vincent – Brigham City is looking at drainage as there were some major concerns about water. He actually stated in his State of the City address that Brigham City would be put on conservation this summer if things didn't improve. With the last storm Brigham City's drainage is at 83%, we have come a long way. FYI – the processing plant is looking out in the county. They would now like to have a rendering plant and Brigham City will not allow that in town. He met with the State Representatives a couple of weeks ago and was told that Brigham City was

being hard to deal with but he feels they have bent over backwards to accommodate the processing plant. They even went as far as flying people to Modesto, CA, to look at their plant and expended funds to do that. It is unknown what the processing plant is going to do at this point. He thinks as they go out to the county they will find the cost to do the rendering plant, and all that it entails, will be very high.

Roger Fridal – No report

David Forsgren – Honeyville is putting in waterlines and upgrading pumps to get the well south of town in shape as they plan on pumping a lot of water this year.

Richard Day – He apologized for being late. He was in a meeting with some of the Weber County Fire Marshals and they were discussing how this summer is going to be. They are also concerned with issues on Capitol Hill with some policies and procedures changing for fire requirements.

Charles Holmgren – Chairman Burt asked how much snow is at Tony Grove. Board Member Holmgren reported it is at 121% and a month ago it was at 60%. On the NRCS website you can put in different dates to give you comparisons on water and snow totals. The Bear River Canal Company's Annual meeting is one week from tonight. There are two director positions up for election with no opposition so there will not be an election this year; Jay Capener and Curtis Marble were unopposed. The Bear River Water Users meeting is tomorrow to discuss trading the Bear Lake allocation around between the different entities. PacifiCorp will be there and they are the ones who the canal company gets their allocation from out of the Bear Lake. Dee Hansen, the Federal Chair of the Bear River Commission announced his retirement. There are four people from Utah, one from Wyoming and two from Idaho vying for the position. Ultimately, President Obama will be the one to make the decision on who will take his place. Charles talked about HB49 and stated how it is really poor legislation. He has talked with our two representatives and has left messages for Senator Knudson to kill that bill. HB49 hurts water conservation; it hurts citizen shareholders and helps developers. His biggest concern is it goes against private canal companies that have good water rights. There is existing policy that protects shareholders in the state right now. This bill will destroy the management of canal systems as it specifically goes after private canal companies. General Manager Jorgensen stated that the law as it exists today is workable, is working well and has worked well for a long time. Developers don't want to keep the law like it is, they want to take their water shares out of the canal companies and the State Engineer and canal companies won't be able to stop them. The ones it will hurt in the end are the remaining shareholders.

Jay Carter – Commented that he has a brother-in-law in Weber County who hasn't yet subdivided his property and he has water shares but never sees his water. It has gone through all these different entities and never sees his water in the ditch.

Jeff Scott – No report

Clint Burt – No report

General Manager's Report – Voneene Jorgensen

We have sent out letters and surveys to the people in the Bothwell pocket in our water system service area. County Commissioner Stan Summers called us because he has had people in Bothwell contact him about fire protection. We immediately got in touch with Corey Barton, the County Fire Marshal and he and Robbie went out in the field to see if we were able to provide fire flow at 500gpm for 30 minutes and found we were actually able to provide 1500gpm. We then sent letters to 62 people in our service area that would benefit from 12 fire hydrants strategically placed on our water system.

Fire Protection in Bothwell – Robbie Thayne

We have gotten three estimates from contractors to bid on the 12 hydrants on our water system in the Bothwell area. We would retro-fit 6 blow offs and install 6 fire hydrants. Grover Excavation's bid came in at \$40,800; Great Basin Development & Construction came in at \$47,550 and Rupp Trucking came in at \$49,604.28. There are 62 lot owners that will benefit from the hydrants so that amounts to approximately \$700.00 per lot owner with the lowest bid. Of those lot owners, 10 are outside of our service area and 41 of those lot owners are current customers. Chairman Burt asked what happens to those who don't want to pay for the fire hydrants. General Manager Jorgensen explained that we would set an assessment, where everybody who benefits pays equally for the project. We would assess everyone, the 52 that are in our service area and the 10 who are in the outskirts, but still within the area that could benefit from the hydrants. We have basically set it up by lot so if you have a lot in the area then you will be assessed. We have to go with majority rules and if people can't afford it upfront we will be happy to take installment payments. So far we have only had 17 responses from the 62 surveys mailed. We will be able to get more people involved after letting them know it will be closer to \$700 rather than the \$1,200 initially estimated. Board Member Vincent noted that there is not protection at all in the area and so the homeowner will benefit by a decrease in their homeowners insurance. Robbie said they are rated at 9 (with 10 being the highest) in that area and the average savings will be 9% on their homeowners insurance. One concern was response time from the fire departments so Bob and Robbie did some timed tests. They started at the Tremonton Fire Department and drove to Bothwell (past 10000 West at the Stevenson Farms Subdivision). The distance was 5.8 miles and took 6.5 minutes. They did the same thing from the Thatcher Fire Department and the distance was 4.4 miles and took 5.5 minutes. They also found out that Thatcher-Penrose Water is going to help us with a hydrant for our property out by Chanshare's office.

Bothwell Impact Fee Amendment –

We need to update the Impact Fee Analysis and we have posted the notice on the website and public website. The update was a recommendation from our audit last year. We need to add Capital Projects to our plan so we can post impact fees to those upgrades and improvements.

SKM Contract –

One very important part of our project in Collinston is our SCADA. We need it to be able to run the blending process and be able to see and run the system remotely from our office. We have a bid from SKM; they are the ones that have worked with our SCADA for our Bothwell System, our South Willard System and our Booster Station and would like to have the Board consider the bid from SKM. The costs on the bid are part of our project. We didn't ask for other bids because this is the company that did the SCADA on our other systems and we need it to be consistent as it is important for the systems to be compatible. Board Member Forsgren said they do that in Honeyville also, they have preferred contractors on certain things like the SCADA on their wells.

Vice Chairman Rudd made a motion to approve the SKM contract for the Collinston Project. Board Member Baugh seconded the motion. Chairman Burt, Vice Chairman Rudd and Board Members Holmgren, Carter, Scott, Day, Forsgren, Fridal, Vincent and Baugh voted in favor of the motion.

General Manager Jorgensen went over some things in the packets that the board members can read; such as a paper on legislative bills that have to do with water. That paper was dated February 8th so things have changed a little since then but it gives the basic information on the bills. There is also a schedule for the Collinston Water Project and also information on the Northern Mini Water Conference that we help sponsor with in Cache County. It is to be held on April 2nd at the Space Lab in Logan like it has been in previous years. It is free, there is no registration and they have a wonderful lunch.

Personnel Policy –

We have been working on the Personnel Policy. I have been talking to Debbie Stone, she has an HR business and she also works with Monica Wayland. We have heard Monica Wayland's presentations at Utah Water Users and Utah Association of Special Districts Conferences. We need to incorporate any comments from the Board into the Personnel Policy, we also need to have an HR specialist look through it and we need to have a wage matrix completed. I have asked Debbie Stone to give us wage and salary evaluations and analysis as there was a request to have wages provided to the Board for the staff of the District.

Collinston Project – Second Tank Site

We are still trying to work with the property owners on second tank site. We have sent a letter out giving them until Friday, February 21, 2014 at 5:00 pm to make the decision on whether or not they are going to accept our final offer. If they accept our offer to purchase the 2 acres for the reservoir site then we will pay their penalties for coming out of the CRP, refund the revenue they have lost and pay them for the 2 acres we need. If they choose not to accept our final offer, then we have sent the required notices and the required information needed to go into eminent domain action. Board Member Fridal asked if they know we are preparing for eminent domain action. General Manager Jorgensen said yes, they do and that we have sent them four letters mailed certified return-receipt and they have received those. The letter lets them know that if they don't accept this final offer then we will proceed with eminent domain action. We then had to send them a letter stating their rights and gave them the brochure on just compensation that we printed from the Utah State Ombudsman's office. Then we had to send them another letter telling them they have the right to come to the public meeting on March 5th to discuss everything with the Board. We need to have at least a quorum here on March 5th whereas the Board will have to take a final vote to move forward with the eminent domain procedure. We will know on Friday at 5:00 pm if the landowner's will accept our offer for the 2 acres for the tank site. The Division of Drinking Water has stated they will not allow us to close the loan or the bond until we have an order of immediate occupancy signed by the judge. We can have the bid opening on March 19th and we can move forward; we will take the risk and pay those costs because we will eventually close the loan once the judge grants us occupancy, we just have to go through the eminent domain procedure.

The Marble family has consented to work with us on an agreement with the easements. We sent the legal descriptions to the title company and the surveyor went out to plot the legal descriptions. What we found from that survey is the dairy road was put in the wrong spot and the Marbles may own some of the 2 acre parcel we need for the tank site. Since the road and fence lines have existed for over 20 years we don't believe they will have any interest in the tank site. It is not our responsibility, nor should we fix property line issues for everyone; so we are asking the Marble family to quit claim to the District any claim they may have in the property for the tank site. We sent the Marbles an e-mail notifying them of the eminent domain action and informing them that they will have to be listed on the eminent domain law suit if they don't want to work with us.

Financial Business – Chairman Clint Burt Approval of Financial Statements

The financial statements were prepared and provided to the Board Members in the packet that was mailed to them. Chairman Burt asked for the Board to review the statements and approve them.

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

Public Comment

There were no public comments

Adjourn

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

The meeting adjourned at 9:00 p.m.