

**Bear River Water Conservancy District
Annual Board Meeting
Wednesday, March 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, Charles Holmgren, Bruce Christensen, Brent Rose, Richard Day, and Stan Stokes.

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

Visitors: Bill Bigelow (Hansen, Allen & Luce),
Ryan Child (Wood Richards & Associates)

Excused: Commissioner Brian Shaffer

Invocation: Board Member Charles Holmgren

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 Board Member Richard Day. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Rose, Baugh, Forsgren, Stokes, Day, Holmgren and Christensen voted in favor of the motion.

Adoption of the Minutes for the meeting held February 24, 2010

A copy of the draft minutes was included with the packet mailed to the Board Members. There were no changes to the minutes.

Board Member Richard Day moved to approve the minutes of the meeting held February 24, 2010 as recorded. Vice Chairman Ross Rudd seconded the motion. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Rose, Baugh, Forsgren, Day, Stokes, Holmgren and Christensen voted in favor of the motion.

Annual Status Report – Chairman Clinton Burt

Chairman Clinton Burt presented the Annual Status Report to the Board. The following points were included in the report:

- The Audit was presented at the annual meeting and given a clean opinion. The finances were shown to be in substantial compliance.
- The District assisted Howell with inspections during construction of their new water storage tank and Acme Water Company with engineering services for design of a new pump station.
- The District followed matters of interest with legislation and the Bear River Commission.
- The District benefits from membership of various water associations and the trustees and staff annually attend trainings and workshops.
- The Harper Ward System currently has 91 customers with 78 actively taking water using 50 acre feet of water for the year 2009.
- Wholesale water contracts to users were as follows:
 - Tremonton City - 150 af.
 - Riverside/ N. Garland Water Company – 30 af.
 - Ukon Water Company – 70 af.
 - Thatcher/Penrose – 10 af.
 - S & K Water Company – 7 af.
 - Bothwell – emergency basis only
- To protect the quality of our ground water, the District petitioned the Division of Water Quality to classify the northern area of the Bothwell Pocket and Whites Valley as 1B irreplaceable ground water.
- The Bear River Development and proposed site at Washakie for a reservoir is moving forward. The District participated with the Division of Water Resources to contract with two engineering firms to conduct studies for the Bear River storage project.
- The District partnered with Cache County in the cloud seeding program sponsored by the Division of Water Resources again this year.
- The South Willard project consisting of a culinary well, 1,000,000 gallon reservoir, pipeline and pump station has been constructed with funding from a loan and grant from the Division of Drinking Water.
- The secondary water planning study for South Willard was completed which included a water right and source inventory in the recommendations.
- The District participated in the Box Elder County Fair.

Chairman Burt stated it was a busy year and he appreciated the General Manager for keeping the Board updated on the issues. Questions were taken from the Board.

**Presentation and Adoption of the Audit
Wood Richards & Associates**

Ryan Child of Wood Richards & Associates presented the findings of the audit. He stated they did not have any findings to report and an unqualified opinion was issued on the financial statements which means they are fairly stated and follow all the standards. They had no findings on the internal controls over the finances. The control policies were tested and found to be sound and being followed. He went over the state compliance that includes eight different topics and found the District to be in compliance with all of these. Mr. Child stated this is a very good report. He reviewed the financial statements and highlights for the year of 2009 with the Board Members. The property tax revenue increased and exceeded the net operating costs of the District. Mr. Child stated the District has a good ratio of assets to liabilities having for every dollar of current liabilities just under four dollars in current assets. The statement of revenues and expenses was reviewed. These were consistent with those of the previous year. Mr. Child stated overall, the District is in good financial condition and being well managed. He opened the meeting for questions from the Board. General Manager Jorgensen explained the South Willard project is not included as an asset yet so once it is completed it will increase the amount of assets. There was a discussion of the note receivable from Chanshare that is outstanding. General Manager Jorgensen stated the contract with Chanshare is intact and hopefully they will be able to meet their obligations. She explained the retrofit of the Newman Well that was done and the amounts to be paid by Chanshare. The retrofit has worked well and has been a great benefit to the District in protecting the District's infrastructure and securing safety. It was suggested to obtain some security for the Chanshare obligations.

Board Member Bruce Christensen moved to approve the audit as submitted. The motion was seconded by Board Member Richard Day. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Rose, Baugh, Forsgren, Stokes, Day, Holmgren and Christensen voted in favor of the motion.

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

Bill Bigelow presented the latest update on the South Willard project. They are in process of prepping the tank for the membrane that will fix any cracks or leaks. The District's share of the cost of the membrane has been negotiated to \$7,500. Hopefully, by next Board Meeting the installation will be complete and the tank will be full. The pipeline project was closed out last week. The pump station still has a few punch list items to complete. He has been working on the record drawings in order to request the operating permit from the state within the next month. Mr. Bigelow explained the tank had an unusual number of cracks and they have spent the last three or four months trying to determine why and obtain a solution for the problem. He gave some of the possible reasons. Weather may have been a factor as well as pouring the concrete in one pour. System Operator, Bob Phippen explained most of the cracks are on the south side so one cause may have been a lot of expansion and contraction on the south side during the winter. Mr. Bigelow stated it could also have been

caused by more imperfections in the concrete surface. This could have been due to the vibrating not being as good on the south side. There was not really one reason that stood out as the obvious cause. Mr. Bigelow explained the thickness and pliability of the membrane that will be applied to the inside of the tank. It is a permanent polyurethane layer that is applied over a layer of epoxy. He feels like this is a good product that will last. Bob Phippen explained the process now being done of grinding any ridges, filling any voids in the concrete and cleaning the walls and floor of the tank in preparation to apply the membrane.

Board Member Reports – Trustees

Brent Rose: reported there is quite a bit of snow on the mountains.

Charles Holmgren: reported on the annual meeting of the Bear River Canal Company. David John was elected to their board. He reported on a meeting with the Bear River Water Users Association. Conley Baldwin from Pacificorp was there. He felt the allocation for Bear River Canal Company will be adequate this summer. It will draw heavily on Bear Lake. They are hoping for cooperation with irrigators on the river during the shortage in the summer, if it occurs. Board Member Holmgren stated following the high demand in early July, we should be able to make it to the end of the year. He attended a water quality meeting yesterday on the Cutler TMDL program. He learned Logan City is feeling there are smaller municipalities and the agricultural community that need to do their share in cleaning up Cutler.

Richard Day: reported the recent conferences had some good classes and he enjoyed them.

Dave Forsgren: reported the Honeyville Water Master Study is complete and it was presented by Chris Wight at the last City Council meeting. It was a favorable report and included information about fire flow to the Harper Ward area and also supplying water to Harper Ward. The Council is to come back with recommendations regarding supplying fire flow to Harper Ward at least as far south as the new church. He feels it is positive. As soon as he gets a verbal approval from the Council, he will let the church and the District know that they will be willing to serve fire flow. Details on the construction costs will have to be worked out. There was an article in the paper and he received calls stating residents want a new church in Harper Ward.

Stan Stokes: reported Tremonton City bought a well at Cedar Ridge to improve their water system in the future. They are in the process of letting the contract to get it hooked into their water system now.

Bruce Christensen: No report

Brent Baugh: No report

LaRall Thompson: reported he enjoyed the conference classes. He has noticed they are getting more concerned every year about the supply of water. He appreciated our General Manager watching out for the water supply here in our county. Board Member Richard Day reiterated the necessity of securing secondary water to meet the conservation goals for culinary water.

Ross Rudd: No report

Clint Burt: No report

Board Member Brent Rose was excused from the meeting at 8:00 p.m.

General Manager's Report – Voneene Jorgensen

General Manager Jorgensen stated she included a lot of information in the packets for them to read. She reported the Weather Modification program report showed three storms were seeded in February. The program will end on the 31st of March. She has not heard of the funding being cut for this program and when she talked to Mr. Griffith in St. George, he felt the funding was sound for next year.

There were two responses written by Lindsay Ford and Marv Allen to the protests filed by Wasatch Integrated against our aquifer classification petition. These responses were included in the Board's packet. The aquifer classification item will be on the agenda for the Division of Water Quality Board Meeting to be held on March 31st. The word she has received from Attorney Dallin Jensen and the DWQ staff is they will recommend that it be approved.

She believes we came out okay with the legislature. There were a lot of issues put on the master resolution list. She is concerned about the taxing authority of water conservancy districts. We thought this would be finished with HB172. The bill basically states if we want to increase our tax rate above the certified tax rate and go through the Truth in Taxation process, we will have to get approval of the County Commission because they are our appointing authority. They did not force us to have elected board members right now. We can continue to collect property taxes but we cannot raise the rate without approval. Board Member Holmgren felt comfortable with what Fred Hunsaker was proposing regarding Canal Safety. There was legislation passed that addressed per diem expenses and travel. A new travel policy for the District is being worked on that will basically follow the state administrative code rules. It will be given to the Board for their input.

General Manager Jorgensen asked for questions and comments regarding the draft policy of Rules and Regulations for Retail Water Service given to the Board Members at the last meeting. The staff is continuing to work on updating the District's policies.

The Northern Utah Mini Water Conference will be held in Logan on April 6th. It is a free conference where they bring some of the presenters from the St. George conferences to northern Utah. She will get the information about this to the Board Members if any want to attend.

She plans to call Terel Grimley of Pineview and set up a meeting with him this week. She and Board Member Day talked to Mr. Grimley concerning a secondary water system in South

Willard during the recent conference. Chairman Burt opened the meeting to questions for the General Manager.

**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 Richard Day made a motion to approve the financial report as presented. The motion was seconded by Vice Chairman Ross Rudd. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Baugh, Forsgren, Day, Stokes, Holmgren and Christensen voted in favor of the motion.

General Manager Jorgensen made one additional comment regarding the audit that there was \$276,671 not spent out of the budget last year. She felt good about staying in the budget and having some reserve left over.

Election of Officers - Chairman Clinton Burt

Chairman Burt asked for nominations for officers from the Board.

Board Member Charles Holmgren moved to retain the standing officers by acclamation. The motion was seconded by Board Member Bruce Christensen. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Baugh, Forsgren, Day, Stokes, Holmgren and Christensen voted in favor of the motion.

General Manager Voneene Jorgensen expressed her appreciation for the officer's support and their willingness to continue to serve the Board. She appreciated the Treasurer coming in and reviewing the finances and approving them along with her. He invited the Board Members to give direction and give input for things we need to follow up on. We are looking at updating our Master Plan and following the projects that are there. She expressed appreciation for the Board's attendance and support. Chairman Clint Burt spoke regarding the attendance of the board. He commended the Board Members for their attendance and stated it is a pleasure for him to associate with the Board Members. He appreciated the attendance of the members to meetings and their concern and participation. Vice Chairman Ross Rudd agreed with the Chairman's comments.

Public Comment

There were no public comments.

Adjourn

Vice Chairman Ross Rudd moved to adjourn the meeting. Board Member Brent Baugh seconded the motion. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Stokes, Baugh, Forsgren, Day, Holmgren and Christensen voted in favor of the motion.

The meeting adjourned at 8:30 p.m.