

**Bear River Water Conservancy District
Annual Board Meeting
Wednesday, March 23, 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, Brent Baugh, Richard Day, Stan Stokes, Dave Forsgren, Brent Rose, Charles Holmgren, 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)
Ken Spackman (West Box Elder Conservation District)
Ryan Child (Wood Richards and Associates)

Invocation: Financial Chairman LaRall Thompson

Adoption of the Agenda

There were no changes to the agenda.

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

Adoption of the Minutes for the meeting held February 23, 2011

A copy of the draft minutes of the meeting held February 23, 2011 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 February 23, 2011. Financial Chairman LaRall Thompson seconded the motion. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Day, Christensen, Stokes, Forsgren, Baugh, Rose, Holmgren and Adams voted in favor of the motion.

West Box Elder Soil Conservation District – Ken Spackman

Chairman Clint Burt recognized Ken Spackman from Park Valley representing the West Box Elder Conservation District. He expressed his appreciation for time with the board. He spoke to the board and gave some background regarding the conservation district. About three years ago, Jay Tanner from Grouse Creek was able to obtain \$200,000 of earmarked funds through Senator Bennett to do a comprehensive resource management plan for the Grouse Creek area. The plan would basically be a watershed plan. Mr. Spackman gave the board members a copy of a newsletter and a list of Conservation District's projects. The NRCS wanted to keep control of the project and worked on it for a year, spending \$60,000 and basically nothing was done. The management was turned over to Mr. Spackman's entity and they were going to lose the funding unless it was earmarked by March 31st. Another \$100,000 was obtained for the project and he has signed documents guaranteeing a plan would be done. He would like the plan to address the entire area including Grouse Creek, Yost, Stanrod and Park Valley. Some meetings have been held. Grouse Creek has made a list of priorities. As the entities come together, they will make a list of concerns and what will be addressed. He is looking for support from other entities to help them push the project ahead in the next two or three years. Jeff Schick with the NRCS is stepping aside and allowing the conservation district to move ahead. Mr. Spackman is looking at getting college students involved in gathering information. He stated he was not sure what is needed from the BRWCD but asked for support in trying to get the plan done. Board Member Rose stated the Bear River Water Conservancy District has a tax levy from all property in the county and therefore has something to do with all the water in the County. General Manager Jorgensen agreed and asked whether there were specific criteria or an outline for the plan. Mr. Spackman stated what they are hoping for is to compile the information that has been collected over the years to get an assessment of what is needed. Mr. Spackman gave examples of federal funding that would be available to county residents and entities once the plan is completed. He stated the main outcome is the focus of all the entities on the main concerns. It is a matter of getting the paperwork done to be eligible for funding when projects are needed. One of the main concerns for the area is water storage. Commissioner LuAnn Adams explained she was in a meeting with the BLM and they are supporting this on a local level. Vice Chairman Ross Rudd asked if there are resources to put a staff together. Mr. Spackman stated there is a job opening for a coordinator. They want a local person who will be available for years down the road. Vice Chairman Rudd suggested involving our legislators, Knudson and Menlove. Board Member Rose stated those they have dealt with in the BLM have no experience and the staff changes so often they are not able to accomplish what needs to be done. With a water year like we have now, there will be enough water to irrigate all summer if there was some storage. They want to have a reservoir some day. Mr. Spackman stated they would have students do the data gathering but a professional firm will need to be hired to write up the plan. General Manager Jorgensen stated the Division of Water Resources should be brought in and sometimes they give grants. She stated we need to know what criteria are needed to create a watershed plan rather than collecting data that is not needed.

Board Member Dave Forsgren moved to direct the General Manager to write a letter stating the District's support of the efforts to complete a county watershed conservation plan. Vice Chairman

Ross Rudd amended the motion to appoint Board Member Brent Rose as the liaison for the District to advise the General Manager on the progress of the plan and be the contact person. Vice Chairman Ross Rudd seconded the motion. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Day, Christensen, Stokes, Forsgren, Baugh, Rose, Holmgren and Adams voted in favor of the motion.

Annual Status Report – Chairman Clinton Burt

Chairman Clint Burt summarized the Annual Status Report. A copy of the report was provided for the board members at the meeting. Chairman Burt read the mission statement of the Bear River Water Conservancy District and stated the names of the Board of Trustees and the District staff. The following items were covered in the annual report:

- Audit Report
- Consumer Confidence Reports
- Adoption of the Budget
- Membership in water associations and support of the Bear River Commission
- Services to communities with technical support and professional services
- Chanshare lease
- Water Conservation Plan update
- Harper Ward system – amount of water sold and number of customers – partnered with the LDS Church and Honeyville City to bring fire flow to the system
- Bothwell system – amount of water sold and number of customers
- Wholesale water sales- amount of water sold with contracted sales
- Aquifer classification of the Bothwell pocket - presentation to the Water Quality Board
- Bear River Development – 60,000 acre feet of storage water allocated for BE County
- Weather Modification – partnered with Cache County – 14 storms seeded, snow water content is 136% of normal and precipitation was 140% of normal
- Participation in conferences and training
- South Willard System Project completed
- South Willard area secondary water system study – District still supports the concept
- Financing of the Beaver Dam Project which is now in the design phase
- Box Elder County Fair participation

Chairman Burt complimented the District staff for the accomplishments of the year and seeing all rules and regulations are followed.

Board Member Dave Forsgren moved to approve the annual status report. The motion was seconded by Board Member Richard Day. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Day, Christensen, Stokes, Forsgren, Baugh, Rose, Holmgren and Adams voted in favor of the motion.

**Presentation and Adoption of the Audit
Ryan Child – Wood Richards and Associates**

Ryan Child of Wood Richards and Associates in Ogden presented the annual audit report performed by his firm for the year ending December 31, 2010. Copies of the audit report were provided to the Board Members at the meeting. Mr. Child read the required information to the board from the letter he provided which included the aspects of the accounting practices used by the District. There were no transactions noted that were entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period. There were no significant difficulties encountered in performing the audit and no material misstatements detected. Mr. Child recommended having an official review of non-cash adjustments as an important procedure that should be done on a monthly basis by a member of the board. Mr. Child stated the audit was issued an unqualified opinion which is a clean opinion on the financial statements. It is the best opinion they issue on the financial statements which means they give positive assurance that the financial statements are accurate and in accordance with accepted accounting principals. Mr. Child read through the financial statements and explained the amounts of assets and liabilities including net assets, statement of cash flow, accounts payable, capital assets, revenues, income and expenses. Mr. Child referred to the section of the report that deals with the compliance to state code. He did not have any findings to report regarding state code compliance and commended the District for a great job with compliance to the state code. Mr. Child then referred to the report on the internal control and financial reporting. He did not find any material weaknesses or significant deficiencies regarding this report.

Board Member Bruce Christensen moved to accept the audit report for the year ending December 31, 2010. The motion was seconded by Vice Chairman Ross Rudd. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Day, Christensen, Stokes, Forsgren, Baugh, Rose, Holmgren and Adams voted in favor of the motion.

Board Member Reports – Trustees

Brent Rose: No Report

Charles Holmgren - reported on the elections of the Canal Company board. Curtis Marble and Jay Capener were re-elected to the board. 17,300 shares were voted which is 25% of the total. The officers were also re-elected. Board Member Holmgren is the President; Jeff Hardy is the Vice President; and Bob Roche is the Secretary/Treasurer. He explained the Bear River Water Users Association includes four major canal companies below Bear Lake and the small pumpers in Utah and Idaho. They work with water rights issues that concern the group and Bear Lake interests. He explained some changes in this board and stated the Idaho members have not yet joined them.

The Canal Company has had trouble with Ruby Pipeline discharging subsurface water into the canal before any agreement was signed with them. The Canal Company demanded payment for that. This has now been settled and the Canal Company is satisfied with the settlement.

On April 12th, there is meeting of the Bear Lake Preservation Advisory Committee. The canal companies below Bear Lake will receive their allocations for the irrigation season at that time.

Senator Knudson introduced Resolution 5 at the legislature that was subsequently defeated. It was a resolution to limit development around Bear Lake but the language could be interpreted to be injurious to irrigators.

There will be a meeting of the Bear River Commission on April 18-19 in Brigham City at the Bear River Bird Refuge Visitor's Center. It is a very unique opportunity to have the meeting here. Board Member Holmgren is one of three commissioners from Utah and has been involved for almost 20 years. This is only the second time the meeting has been held outside of Salt Lake City. The general meeting for the public will be on Tuesday at 1:00 p.m.

Board Member Holmgren then reported the level of Bear Lake at 5911. There is about 250 cfs coming in. The last forecast he heard was they anticipated the lake would increase 6 feet and possibly 8 feet. A full lake is 5923.65 above sea level. Pacificorp becomes nervous and runs into liability issues if it rises over 5918.

Richard Day - reported on the recent conferences of the Rural Water Association and Utah Water Users. The classes were very good. There were more in attendance at the Water Users than at Rural Water.

LuAnn Adams – No report

Dave Forsgren – No report

Stan Stokes – No report

Bruce Christensen – No report

Brent Baugh – reported his parents in Harper Ward have air back in their water. Blair Summers rents some of the ground in Bothwell and he wanted to let the District know he is interested in renting more property if the land becomes available for lease.

LaRall Thompson – No report

Ross Rudd - complimented the staff on the good annual report. He also enjoyed the conferences and recommended all the board members attend.

General Manager Jorgensen gave information regarding the training for board members to be held on March 24. She asked the Board Members to let her know if they attend in order to be paid for attending the training.

Project Status Reports – Bill Bigelow and Bob Phippen

Bill Bigelow reported on the South Willard project that the final pay request has been processed for the reservoir contractor and the operator's permit has been received. The project is essentially completed.

The Beaver Dam Project is coming along. The water rights issues have been complicated but they are moving along. The Corps of Engineers has high expectations for the NEPA report. When there are springs involved, they are considered especially sensitive and the NEPA requirements increase. The schedule has been reviewed and he is looking at the earliest time to award the project would be in June. General Manager Jorgensen stated Charlotte Nelson had been in the office today to sign her water right documents. She wants to move as quickly as we can because the Army Corps of Engineers have a budget deadline on September 30.

A meeting was held with Riverside/North Garland and they will take additional water subscriptions along with Ukon. With this demand, he feels we can move ahead with the Collinston project and letters will be sent to determine how many residents are interested. General Manager Jorgensen stated the letters are going out tomorrow.

General Manager's Report – Voneene Jorgensen

General Manager Jorgensen reported she had asked Bill Bigelow to do a study regarding the efficiency of the well in Bothwell. She wanted to find out if we could save electricity by the installation of a new pump. It was determined we could save about \$6,000 per year on the power costs. She suggested the board may want to consider changing the pump. Bob Phippen explained what brought this up is the amount of water pumped is diminishing in volume. General Manager Jorgensen gave totals of power costs over the years showing they were increasing which means we use more power to pump less water. Board Member Bruce Christensen stated Rocky Mountain Power has submitted a 13.8% rate increase and are hoping to get it by September.

General Manager Jorgensen then stated bids were received for fencing around the South Willard project. She asked for the board to authorize her to accept the bid of \$16,600.00 to have the fence installed. The money will come from the grant money we have left.

Vice Chairman Ross Rudd moved to authorized accepting the bid for the fencing of the South Willard project. The motion was seconded by Financial Chairman LaRall Thompson. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Day, Christensen, Stokes, Forsgren, Baugh, Rose, Holmgren and Adams voted in favor of the motion.

She has sent in another reimbursement request to the Army Corps of Engineers for \$37,376.00. It will take about six weeks for us to receive the funds.

In April, the Executive Water Task Force will be meeting again. Mike Styler has asked her to continue to serve on this board. There will also be another legislative water task force that was formed by passage of HB 428 sponsored by Senator Pat Painter. People are very worried about this because they think it is another way for him to get his SB 99 passed for the shareholders. This needs to be watched closely. They want to re-codify the law that governs private water companies and

infrastructure financing. She referred to the interim resolutions list that was provided to the board in their packet showing the legislation that will be studied during the interim.

General Manager Jorgensen then reported she had a meeting with the County Economic Director, Kevin Hamilton regarding the amendment to the County land use ordinance. A copy of the letter sent to him was included in the board member's packet stating the language of the amendment she is requesting.

The staff will be working in April and May to get all of the District finances on the Utah Public Website in compliance with legislation passed in 2009.

Financial Business – LaRall Thompson Approval of the Financial Statement

The financial statements were prepared and included with the packet mailed to the Board Members. Financial Chairman Thompson asked if the board had reviewed the statements and called for a motion of approval.

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

Election of Officers – Chairman Clinton Burt

Board Member Bruce Christensen asked the officers if they were willing to continue to serve and each were willing to continue in their positions.

Board Member Bruce Christensen moved to elect the same officers. The motion was seconded by Commissioner LuAnn Adams. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Day, Christensen, Stokes, Forsgren, Baugh, Rose, Holmgren and Adams voted in favor of the motion.

Public Comment

There were no public comments.

Adjourn

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

The meeting adjourned at 8:55 p.m.