

**Bear River Water Conservancy District
Annual Board Meeting
Wednesday, March 27, 2013 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, Financial Chairman LaRall Thompson, Charles Holmgren, LuAnn Adams, Brent Baugh, Richard Day, Roger Fridal, Dave Forsgren and Tyler Vincent

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

Visitors: Bill Bigelow – Hansen Allen and Luce
Justin Stark
Cody Cardon – Wood Richards and Associates

Excused: Board Member Brent Rose

Invocation: Board Member Dave Forsgren

Adoption of the Agenda – Chairman Clint Burt

A motion was made by Board Member Richard Day to approve the agenda as written. The motion was seconded by Vice Chairman Ross Rudd. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Holmgren, Fridal, Day, and Forsgren voted in favor of the motion.

Approval of the Minutes for the Board Meeting held February 20, 2013

The minutes of the meeting held February 20, 2013 were included with the packet that was mailed to the Board Members.

A motion was made by Board Member Charles Holmgren to approve the minutes for the meeting held February 20, 2013. The motion was seconded by Vice Chairman Ross Rudd. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Holmgren, Day, Fridal and Forsgren voted in favor of the motion.

Board Members Brent Baugh and Tyler Vincent arrived at the meeting following the motions on the agenda and minutes.

Request for Temporary Water Service – Justin Stark

Justin Stark came before the Board to request the District to allow him to connect his grandmother's home to his existing meter. He is a resident and customer of the Harper Ward System and explained he wants to provide a place for his grandmother to live near him. He has checked with the county and utility companies regarding the feasibility of placing a temporary manufactured home on the same parcel with his current residence. The county has recommended a temporary use permit for the dwelling. Mr. Stark stated the county is requiring a document recorded with the County Recorder's Office that states the expiration for approval of the temporary dwelling is five years. The conditional use permit states the dwelling will be removed in five years. He was aware that he is required to pay an impact fee for the water connection and pay the monthly fee whether the water is used or not. His question to the board was if there isn't a rule in place for allowing a temporary dwelling could they make an exception or create one. Chairman Burt explained that past experience has shown anytime a conditional hook up is approved for a temporary use it creates a problem for the water company and for future customers along the line.

Mr. Stark stated his parcel cannot be divided. He could justify paying another impact fee for new construction but not two impact fees for the same property. He believes he has a unique situation that doesn't fit the criteria of the County or the District. Board Member Richard Day stated he was a member of the county planning commission and felt the issue is who will enforce the conditions of the conditional use permit. The county does not have the ability to enforce the expiration date. Commissioner LuAnn Adams asked why he could not add on an apartment for her at his home. He stated his grandmother wanted more independence. General Manager Jorgensen stated the District policy is a separate meter for each dwelling or home defined as having a bathroom and kitchen facilities. Mr. Stark would have the ability to sell the connection to someone else when he no longer needs it. She gave examples of others who have requested additional connections to the same meter and they were denied. Mr. Stark explained he had long term plans for building personal office space and asked what would be the difference to connect that to the same meter. The policy is separate meters for separate buildings if they fit the definition of a dwelling.

Board Member Richard Day moved to stay with the District rules that each dwelling shall have a separate meter. The motion was seconded by Board Member Roger Fridal. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Holmgren, Day, Fridal, Baugh, Vincent and Forsgren voted in favor of the motion.

**Presentation and Adoption of the Audit
Cody Cardon – Wood Richards and Associates**

Cody Cardon of Wood Richards and Associates presented the audit report for 2012. Copies of the report were provided for the board members at the meeting. Mr. Cardon stated they issued a clean opinion which is the best opinion they offer and unqualified. He referred to the statements in the report citing a 4-year table of financial statement totals that included 2009, 2010, 2011 and 2012 financial history. He explained the changes in depreciation with the addition of South Willard and Beaver Dam systems. PEHP health insurance gave some entities a payment holiday that saved the District about \$11,700. Mr. Cardon continued with other changes in the revenues and expenses. He then gave a summary of the assets and liabilities. Property taxes went up for the year about \$70,000. He explained the current ratio of assets to liabilities is 2.21% which basically means the District could pay all of the current liabilities twice. Net working capital is about \$479,000 and represents what is left after paying all obligations and is 4.42% of total assets. 6.24% is the return on assets during the year which is very good. The communication and governance letter was included with the audit report and Mr. Cardon referred to the information in the letter. He stated the letter explains there were no difficulties encountered with the audit process. He stated one recommendation that was included in the letter. A review of the personnel policy is to be conducted annually and be approved by the board according to Utah Code and this has not been done for the last two years. Mr. Cardon stated everything looks very good and the General Manager and Staff are doing a very good job keeping the financial records of the District.

Board Member Roger Fridal moved to accept the audit report as presented. The motion was seconded by Vice Chairman Ross Rudd, Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Holmgren, Day, Fridal, Baugh, Vincent and Forsgren voted in favor of the motion.

Annual Status Report – Chairman Clint Burt

The board members received a written copy of the Annual Status Report of the District. Chairman Clint Burt read highlights from the report that included the following:

- Support of communities throughout the County with technical and professional services
- Retail water systems in Harper Ward now 90 connections, Bothwell now 37 connections and Beaver Dam 22 connections.
- Wholesale services in the Bothwell Pocket and South Willard
- Upcoming Collinston Project
- Community services provided to Park Valley, Bothwell and Riverside/North Garland Water Company

- Participation in the Box Elder County Fair

A presentation was given that covered the 25-year history of the District. General Manager Voneene Jorgensen narrated slides created by Judy Hartvigsen showing the founding board members, their successors and officers of the District along with other accomplishments and completion of projects.

Project Updates – Bill Bigelow and Bob Phippen

Systems Operator Bob Phippen presented a slide show that showed the work on the Newman Well. The motor, shaft and pump were removed. General Manager Jorgensen gave a report from C. H. Spencer Co. regarding the parts that can be used and those that are not reusable and will have to be replaced. She explained the District has always been under the impression that the pump was set at 350 feet. They only pulled 250 feet of casing out of the shaft. She has done some research and looked at pictures showing only 12 sections of casing, 20 feet long and two 5 foot sections. She explained if this is the case, there is only 25 feet of clearance between the water level and the pump. Bill Bigelow recommended adding another 40 feet of casing in the event of increased draw down in the future. The board discussed the issue of draw down and water level variance. Mr. Bigelow explained his discussion with Danny Beck of C.H. Spencer Co. regarding a quote to replace all needed parts and basically have new components that will be dependable for many years. The total is \$61,200.00. General Manager Jorgensen stated the District has financing in the Capital Improvements Fund that could cover the upgrades to the Newman Well. The pump would be lowered to 280 feet and 30 feet of casing that is unusable will also be replaced. The board discussed the necessity of the well's dependability and the desire to have efficiency over many years into the future.

Board Member Tyler Vincent moved to approve the expenditure for upgrades to the Newman Well. Board Member Dave Forsgren requested the addition of an amount of \$65,000 as a not to exceed cap on the cost. Vice Chairman Ross Rudd seconded the motion. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Holmgren, Day, Fridal, Baugh, Vincent and Forsgren voted in favor of the motion.

Trustee Reports – Board Members

Ross Rudd – No report was given other than an expression of appreciation to the General Manager for the work on the financials and the clean audit report.

LaRall Thompson – reported he thought the recent conferences in St. George were the best he has been to in all the years he has been attending. It seemed to have a better feeling and more people in attendance.

Brent Baugh – No report

Tyler Vincent – wanted to echo the appreciation of the General Manager and Staff. It was great to see everything in order with the audit.

Roger Fridal – agreed with the team effort and expressed appreciation to be part of the District Board.

Dave Forsgren – No report

Richard Day – reported the training sessions in St. George were very good with a different approach this year. It seemed more user friendly. He stayed after the conference to attend the meeting of the Board of Water Resources with Teryl Grimley of Pineview Water Systems. The Board's agenda included funding for Pineview to construct a secondary water system in South Willard. The funding was granted by the Board. There are two subdivisions that already have their own systems that will not be included but they can join later. He answered questions about secondary water and there was some discussion of the concept saving the culinary water in order to service more homes.

Charles Holmgren – reported the Canal Company held its annual meeting and approved the change to the articles of incorporation allowing different types of shares. In the future, the Canal Company can work with communities to provide secondary water to residential areas. He attended a Bear River Water Users Association meeting today that includes irrigators between Bear Lake and Cutler Dam. The Bear Lake level is at 5916.43 feet. Carly Burton estimates it will drop 5 feet. The lake drops from evaporation even if not from pumping. The Bear River Commission will meet on April 10th. There are some changes in the commissioners. He encouraged the board to participate with the Gang of 6 and support their efforts. He attended a presentation at the Utah Water Users Conference given by Amcor. They gave high accolades to Whitaker Construction for the line installation in Logan Canyon over the last winter.

LuAnn Adams – reported on changes to the fairgrounds. The fine arts building is no longer there. It was taken down with care regarding the content of asbestos. There will be a new building and a beef barn connected to the auction barn built before the fair this year. Tremonton City has given the County two acres of property there for the beef barn.

Clint Burt – reminded the board that our general manager is the president of Utah Water Users Association and is a member of the Governor's Gang of 6. General Manager Jorgensen explained the Gang of 6 includes Tage Flint (Weber Basin Water Conservancy District), Bob Morgan (former State Engineer), Tim Hawkes (Attorney for Trout Unlimited), Warren Peterson (Water Attorney), and Dennis Strong (Division of Water Resources Director) along with herself. These six assisted by Alan Matheson and Mike Mowers from the Governor's Office have been asked to conduct meetings throughout the state to discuss critical water issues and get input from the public regarding water. The Governor is very supportive of economic growth and water issues.

General Manager's Report – Voneene Jorgensen

General Manager Jorgensen reported we have received the signed contract from Riverside/North Garland Water Company. She met with representatives from Ukon Water Company today and we are moving forward with the blending plan that will be an element of the Collinston Project. While in St. George she accompanied Mark Larson of Ukon Water Company in a meeting with the Division of Drinking Water. They are going into corrective action with the state regarding the arsenic level of their water. They have been given a deadline of December 2014 to come into compliance with arsenic levels. Board Member Day commented if they miss that deadline of the state, the EPA will then be involved and that is not good for them. General Manager Jorgensen presented the board with a proposal to set a cost for a connection to the Collinston system prior to the construction to get some interest in the project and see how many residents would actually want to buy a connection. She explained this was done at the beginning of the Harper Ward project. Those who bought a connection before the start of construction paid \$3,000. After construction started, the price went to \$3,500. After the completion of the project, the impact fee study was done and those buying a connection at that time paid the impact fee of \$5,380.00. Since we don't know what the impact fee will be for Collinston, she suggested the District provide a similar incentive to Collinston residents now. Residents are reluctant to commit to buying a connection without knowing the cost. This project is for residents that have not had a public water system before. It is important to start having public meetings and to set an incentive amount for them to pay before the construction starts to get support for the project. The board discussed what the pre-construction buy in price should be in comparison to the other impact fees on the District's systems.

Board Member Dave Forsgren moved to set the price at \$4,000 prior to construction and \$4,800 during construction with the cost after completion of construction at the rate calculated by the impact fee process. The buyer would have a five year period before they would pay the monthly fee if they were not ready to use the water. The motion was seconded by Board Member Brent Baugh. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Day, Fridal, Baugh, Vincent and Forsgren voted in favor of the motion. Board Member Charles Holmgren voted against the motion. The motion carried.

Board Member Holmgren stated he thought the price was too low.

General Manager Jorgensen then reported on the Utah Water Outlook. Randy Julander believes it will be a dry, warm spring.

She reported on legislative issues and cited the list of bills tracked by the Utah Association of Special Districts. The board members received a list of them in the packet that was mailed to them. She invited them to look over the list to see the status of the legislation.

She reported on the Weather Modification and cloud seeding stating there were four storms seeded in February. The project will end on March 31st.

General Manager Jorgensen then reported her goals for the coming year. The District needs to complete a 40-year water plan to protect our water rights from forfeiture that will be needed for reasonable future use during that time. She stated she has received a proposal from Hansen Allen & Luce to do the plan at a cost of \$7,600.00

Vice Chairman Ross Rudd moved to approve the expenditure of \$7,600.00 for the 40-year Water Rights Plan. The motion was seconded by Board Member Tyler Vincent. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Holmgren, Day, Fridal, Baugh, Vincent and Forsgren voted in favor of the motion.

General Manager Jorgensen continued with her goals stating the following policies will be updated and presented to the board for approval: Personnel Policy, Water Service Policy and the Procurement Policy.

The budget of the District has exceeded 1 million and is now subject to the transparency law. The financial statements will be placed on the transparency website.

The Bothwell System is required to have another sanitary survey this year. She proposed an overflow pond be constructed on the District's property near the reservoir and would like to get it done this year. At this time, when the tank overflows, the water goes into a pond on Krys Oylers' property. In the past, the water has overflowed the pond and flooded his property. He has been very gracious about it but we need to be good neighbors and find a better solution to the problem.

The meters in Harper Ward are getting slower and they need to be replaced with the new iperl meters that will comply with new rules that brass cannot be used. There are 90 meters and the cost is about \$11,500.00. She will check if the radio read transmitters can be transferred to the new meters.

She would then like to find a nice table for the conference room.

Board Member Holmgren commented that the General Manager was very helpful to him regarding the legislation that impacted the Canal Company. He also reported that he has been appointed to the Utah Board of Water Resources.

Financial Business – LaRall Thompson Approval of Financial Statements

The financial statements for February 2013 were prepared and provided to the Board Members in the packet that was mailed to them. Financial Chairman Thompson asked for the Board to review the financial statements and approve them. General Manager Jorgensen explained a correction to the check register bank balance that was provided at the meeting.

A motion was made by Board Member LuAnn Adams to approve the financial statements as corrected. The motion was seconded by Vice Chairman Ross Rudd. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Holmgren, Forsgren, Vincent, Fridal, Adams, Day and Baugh voted in favor of the motion.

Election of Officers – Chairman Clint Burt

Board Member Charles Holmgren asked if the current officers are willing to continue to serve. They were all willing to continue to serve as officers.

Board Member Tyler Vincent moved that the current officers remain in office. The motion was seconded by Board Member Charles Holmgren. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Holmgren, Day, Fridal, Baugh, Vincent and Forsgren 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 LuAnn Adams. The motion was seconded by Board Member Richard Day. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Holmgren, Day, Fridal, Baugh, Vincent and Forsgren voted in favor of the motion.

The meeting adjourned at 9:25 p.m.