

**Bear River Water Conservancy District
Annual Board Meeting
Wednesday, March 26, 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, Financial Chairman LaRall Thompson, Jay Carter, Charles Holmgren, Brent Baugh, Richard Day, Roger Fridal, Tyler Vincent and David Forsgren

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

Visitors: Bill Bigelow, Hansen Allen and Luce
Cody Cardon, Wood Richards & Associates

Excused: Vice Chairman Ross Rudd and Jeff Scott

Invocation: Financial Chairman LaRall Thompson

Pledge of Allegiance: Lead by Chairman Clint Burt

Adoption of the Agenda – Chairman Clint Burt

There were no changes to the agenda.

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

Approval of the Minutes for the Board Meeting held February 19, 2014 and the Special Public Meeting held March 5, 2014.

The minutes of the meetings held February 19, 2014 and March 5, 2014 were included with the packet that was mailed to the Board Members. Board Member Holmgren had some minor corrections to the minutes.

A motion was made by Board Member Fridal to approve the minutes for the meetings held February 19, 2014 and March 5, 2014 as corrected. The motion was seconded by Board Member Day. Chairman Burt, Financial Chairman Thompson and Board Members Carter, Holmgren, Day, Forsgren, Fridal and Baugh voted in favor of the motion.

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

Cody Cardon of Wood Richards and Associates presented the audit report for 2013. Copies of the report were provided for the board members at the meeting. Mr. Cardon stated they issued an unmodified, or clean, opinion which is the best opinion they can issue as auditors for the District. The current ratio for the District, which is assets divided by liabilities, is at 2.64%. That means the District could pay their current obligations two and a half times. Net working capital ratio is 5% of total assets. The District staff is doing a great job and is doing what is best for the district.

There are no findings associated with the audit but there are a couple recommendations or suggestions. Due to the fact that during the year the State got a new auditor and they have passed new legislation which took effect July 1, 2013; one area they are putting more emphasis on is conflict of interest. We are recommending that the Trustees fill out a disclosure statement annually, sign it, date it and have it on file in case of an state audit.

Also, the District makes a matching contribution for the employees to the 401(k) system associated with the URS. 401(k)'s are governed by the IRS and they are very particular. They have what is called a pickup election. The District actually has to say they are going to make a contribution on behalf of the employees up to a certain percentage. As we looked back through the minutes of the meetings we found that one has been made but it was back in 1992 and it doesn't quite fulfill the current requirement. To prevent any future problems with the IRS we recommend that the Board re-make the pickup contribution and use current wording so there are no problems in the future.

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 the Mission Statement and went over the highlights from the report that included the following:

- The Officers; Chairman Clinton Burt, Vice Chairman Ross Rudd and Financial Chairman LaRall Thompson were re-elected March 27, 2013.
- Trustees whose terms expired 12/31/14 were LaRall Thompson and Tyler Vincent and they were re-appointed by the County Commission to serve another 4-year term.
- Jeffrey D. Scott was appointed to replace LuAnn Adams and Jay H. Carter was appointed to replace Brent Rose upon their resignations.

- Voneene J. Jorgensen is the General Manager. The District's full-time certified system operator is Robert Phippen and Robert Thayne was hired as part-time system operator in December. Judy Hartvigsen retired in October 2013 and Cassee Harper was hired as the Administrative Assistant.
- The 2012 audit was presented at the last Annual Meeting and got a clean bill of opinion. The 2013 Audit is complete and has been presented at this meeting.
- The District completed all state water quality monitoring requirements and all standards were met in 2013.
- A Public Hearing was held on December 18, 2013, to adopt the 2014 budget and it was submitted to the State Auditor's office.
- Financial statements and payroll information have been submitted to the Utah Transparency website quarterly and annually as required.
- The District is active in matters of interest in the Bear River Commission and legislature that impacts the District and water community.
- The District is a member of the UASD, UWU, AWWA, RUWA and benefit from these services. Trustees and staff attend these training conferences and workshops annually.
- General Manager Jorgensen represents the District and serves on the Executive Water Task Force, the State Water Development Commission and Boards of UWU, serving as President, UASD and Bear River Development group. She was commissioned by the Governor to join the Utah Water Future Initiative and was invited to join the Governor's State Water Advisory Team.
- The District provided community service to the Park Valley School Water Storage Project; is providing water to the Bothwell Community Water and Cemetery Corporation to solve distribution problems; has committed to help with engineering for re-development of a spring jointly owned by Elwood and Deweyville and the District has worked with the UACD to help small canal and ditch companies come into compliance with canal safety laws.
- The Collinston Culinary Water System is an ongoing project. There will be two 500,000 gallon water storage tanks, two pump stations, a blending station and distribution lines to bring culinary water to residents in the Collinston area. It will also deliver high quality drinking water to Ukon Water Company to comply with the state water standards. 54 connections have been sold and are waiting for the new project to be finished. The NEPA process has been completed. Easements have been acquired, bids have been received and construction of the project should begin in April and will hopefully be done by the end of the year.

Collinston Project Update – Bill Bigelow

We have been very busy over the last 30 days. The NEPA (National Environmental Protection Act) was made to protect wildlife habitat, wetlands and historical features. Because

the project was funded with federal funds we have to write a report and study the impact on any of features of that kind. There were a couple of structures found on the north side of Collinston that our pipelines will go underneath. We have to protect those structures and cannot disturb them while we do construction. That was the only finding that would create a change to the project. We had to walk the project and submit a FONSI report (a finding of no significant impact) to the State and we are now in a 30 day waiting/public comment period. We will hold a public meeting on April 18th in the District office to see if anyone from the public would like to comment.

Pre-bid meetings were held on March 4 and the bid openings were yesterday, March 25th. Before we can break ground we need to finish the NEPA process; finish land purchases and easements; award construction contracts; sign contracts and close the loan with the Drinking Water Board. The cost for the water storage tanks was estimated at \$900,000 to \$1,000,000 and the low bid came in about \$850,000. The pipeline and booster stations were budgeted at \$2.2 million and the bid came in at about \$1.9 million so both bids came in below our budget. All contractors were pre-qualified and we feel we have very good contractors.

Trustees Reports

LaRall Thompson – No Report

Brent Baugh – No Report

Tyler Vincent – Brigham City has a lot going on. We broke ground for the hotel and had a meeting with a restaurant that wants to come in and it all looks positive. The pork processing plant is bouncing back and forth between Brigham City and the County. USU is planning to begin construction in June and the canyon well will be up and running in June.

Roger Fridal – Tremonton is taking a line to service houses in the Country Classic Subdivision and the bid we received was about \$50,000 less than anticipated.

Dave Forsgren – Honeyville has retrofitted the well above Crystal Springs and has put in a larger motor, a better pump and a new control board so we can get a couple hundred gallons per minute more out of that well. Ormond Construction is finishing up a project we had going on 2 blocks west of the church and other than that we are just praying for more rain.

Richard Day – They had a great conference this year in St George.

Charles Holmgren – The Canal Company met this morning; they are working on projects on the system. They got a bid on the measuring device for the west main canal and it was too high so it will have to be pushed into next year. We would like to get some telemetry on the canal system so we get the right amounts of water to the right people. We had our election of officers and I was elected President again.

At the St. George Convention we received input from attorneys that represent irrigators and we are going to create an institution to lobby the state legislators as we had no help from interests in the state this past year. All 5 state representatives from the Bear River Basin voted against HB49 and only 2 others voted against it. With the fight between the Senate and the House HB49 did not pass so canal companies get a second chance to hire lobbyist to represent them next legislative season.

The Northern Utah Mini-Water Conference is in Logan next week. Two weeks from today on April 9 is the Bear Lake Preservation Advisory Committee and the canal company will be given their allocation at that time. They wait until April 1 to see what the water/snow pack totals are.

The County Commission has discussed creating an agriculture committee that would work on water issues with regard to agriculture in the county. As a canal board we are a little perplexed as to why the County Commission is doing this when we have a Conservancy District who takes care of those kinds of issues. I would have liked to ask Commissioner Scott what his view about that committee is.

The Canal Company is doing a lot of maintenance on their canals and a lot of work on the Hammond East Canal trying to take care of some leaks. We are hoping to have Kerry Van Dyke do some evaluation on the canal safety. We also have a new computer program set up and ready to go to provide water schedules.

Jay Carter – No report.

General Manager's Report – Voneene Jorgensen

You have been given a notice and agenda on the Northern Utah Mini Water Conference. Warren Peterson wasn't able to make it so Jody Williams will be at the conference instead. This conference is very good but there is very little support from Box Elder County. We are hoping to have a better turn out from Box Elder County this year.

The Weather Modification report was sent to you in your packet. It shows there were 7 storms seeded in February with a total of 16 seeded storms as of February 28, and a total of 754 generator hours. Also, as of February 28, Tony Grove was at 122% snow/water equivalent and 103% of the water year precipitation. Bear River Basin was at 112% snow/water equivalent and 101% water year precipitation. Our area is the one that Randy Julander said hit the home run with the water totals this year. We were blessed with all the storms in February and into March.

Chief Justice Hobbs from Colorado did a great presentation on the history of water rights and appropriation doctrine.

The Bothwell fire hydrant project is dead and we have passed it on to the County Commissioners. The District wrote a letter to the residents of Bothwell and to the County Commissioners to let them know if there is any interest in fire hydrants in the Bothwell area in the future we would be happy to support it and facilitate the installation.

The Special Board Training that was scheduled on Thursday night that had been arranged by the County has been cancelled. We called Rebecca and asked her to invite the Bear River Water Conservancy District Board and also the Fire District Board the next time they arrange for training. We are now on the list and will be informed when it is rescheduled. It is now a legal

requirement that everyone on a board on a local district have the training. Also, Board Training will be an audited item next year and all our board members need to attend. Board Member Vincent asked if the training they receive at the Utah League of Cities and Towns qualifies as the board training. Board Member Day asked if Rural Water could include the training or Utah Water Users and suggested we talk to these associations to see if they could include that training in their workshops and conferences.

In regards to legislature; when the procurement code is finalized we will know what to adjust and we can then update our policy. General Manager Jorgensen requested to postpone talking about the personnel policy until next month.

We had the bid openings yesterday and we are really excited with the bids. We need to add \$50,000 for the pumps but we are well within our budget. FX Construction won the bid for the water storage tanks with a bid of \$847,424.00 and Rupp Trucking won the bid for the waterlines and pump stations with a bid of \$1,866,315.33.

General Manager asked for a motion to accept the lowest responsible bidder.

Board Member Forsgren moved to accept the bid for the waterlines and the booster stations from Rupp Trucking in the amount of \$1,866,315.33 and the bid from FX Construction for the construction of two 500,000 gallon Water Storage tanks for \$847,424. Board Member Vincent seconded the motion. Board Member Day amended the motion to be based on final completion by the engineers. Board Member Forsgren seconded the amendment. Chairman Burt, Financial Chairman Thompson and Board Members Baugh, Vincent, Fridal, Forsgren, Day, Holmgren and Carter voted in favor of the motion and amendment.

Financial Business – LaRall Thompson Approval of Financial Statements

The financial statements for February 2014 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.

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

A motion was made by Board Member Vincent to adopt the 2013 Audit Report as presented. The motion was seconded by Board Member Fridal. Chairman Burt, Financial Chairman Thompson and Board Members Baugh, Vincent, Fridal, Forsgren, Day, Holmgren and Carter voted in favor of the motion.

Closed Meeting – To discuss pending or reasonably imminent litigation

Chairman Burt asked for a motion to go into a closed meeting.

Board Member Vincent made a motion to go into a closed session to discuss pending or reasonably imminent litigation. The motion was seconded by Board Member Forsgren. A roll call vote was taken.

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| Clint Burt – Aye | LaRall Thompson – Aye |
| Tyler Vincent – Aye | Brent Baugh – Aye |
| Roger Fridal – Aye | Richard Day – Aye |
| Charles Holmgren – Aye | Jay Carter – Aye |
| David Forsgren - Aye | |

Board Member Day moved to leave the closed session and return to the regular meeting. The motion was seconded by Board Member Forsgren. A roll call vote was taken.

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| Clint Burt – Aye | LaRall Thompson – Aye |
| Tyler Vincent – Aye | Brent Baugh – Aye |
| Roger Fridal – Aye | Richard Day – Aye |
| Charles Holmgren – Aye | David Forsgren – Aye |
| Jay Carter - Aye | |

Board Member Forsgren made a motion to proceed with the eminent domain and do the steps necessary to fulfill those obligations. Board Member Day seconded the motion. Chairman Burt, Financial Chairman Thompson and Board Members Baugh, Vincent, Fridal, Forsgren, Day, Holmgren and Carter voted in favor of the motion.

Election of Officers – Chairman Clint Burt

Chairman – Board Member Holmgren nominated Clinton Burt as Chairman, Board Member Day seconded the nomination. All Board Members voted in favor.

Vice Chairman – Board Member Day nominated David Forsgren as Vice Chairman and with no other nominations for Vice President Board Member Baugh made motion to elect David Forsgren as Vice Chairman with Board Member Carter seconding the nomination. All Board Members voted in favor.

Financial Chairman – Board Member Holmgren nominated LaRall Thompson as Financial Chairman/Treasurer and Board Member Day seconded the nomination. All Board Members voted in favor.

Public Comment

There were no public comments.

Adjourn

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

The meeting adjourned at 8:50p.m.