

**Bear River Water Conservancy District
Annual Board Meeting
Wednesday, March 23, 2016 7:00 p.m.
Bear River Water Conservancy District Conference Room
102 West Forest Street, Brigham City, Utah**

Minutes

Present: Trustees: Vice Chairman David Forsgren, Charles Holmgren, Tyler Vincent, Roger Fridal, Neil Capener, Richard Day, Russell Howe, Jay Carter and Jeff Scott

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

Visitors: Bill Bigelow, Hansen Allen and Luce
Ryan Child, Wood Richards & Associates
Randy Nelson, Thatcher/Penrose Water Company
Shalynn Ekins, Thatcher/Penrose Water Company

Excused: Clinton Burt

Invocation: Board Member Fridal

Pledge of Allegiance lead by Vice Chairman Forsgren

Adoption of the Agenda – Vice Chairman Forsgren

A motion was made by Board Member Day to approve the agenda with one minor change in the order of items on the agenda. The motion was seconded by Financial Chairman Holmgren. Vice Chairman Forsgren, Financial Chairman Holmgren and Board Members Scott, Carter, Howe, Day, Capener and Fridal voted in favor of the motion.

Approval of the Minutes for the Board Meeting held February 24, 2016.

The minutes of the Board Meeting held February 24, 2016 were included with the packet that was provided to the Board Members.

A motion was made by Board Member Fridal to approve the minutes for the meeting held February 24, 2016. The motion was seconded by Board Member Howe. Vice Chairman

Forsgren, Financial Chairman Holmgren and Board Members Scott, Carter, Howe, Day, Capener and Fridal voted in favor of the motion.

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

The 2015 Audit went well as it usually does with the District. There is a new accounting standard, GASB 68. This is a change in the way the pension is accounted for at Utah Retirement Systems. The previous method was that the District would report all expenditures and contributions it has made to the URS as an expense. Now the URS has actuaries that calculate all the liabilities and assets. So, on the measurement date, which is December 31, 2014, there was an unfunded pension liability of the State and the District's share of that unfunded pension liability now has to be reported on its' financial statements.

Unrestricted cash is at \$865,000 which is an increase of \$45,000 from the year before. The non-current assets are at \$318,000 and restricted cash decreased by \$373,000. The restricted bond proceeds that came for the large project were spent last year and those associated accounts payables from that project were paid off with that restricted money. Altogether unrestricted and restricted cash decreased by \$728,000 but the unrestricted portion increased.

Total current assets are at \$1,133,000 and the total non-current assets, including the restricted cash, total \$13,042,000.

Current liabilities are at \$508,000 and long term liabilities are at \$5,625,000.

The charges for services are at \$402,000. The wages and benefits are very close to what they were in 2014. There were other expenses including materials, supplies, depreciation and operating costs which increased by \$150,000. The total operating expenses for the year are at \$1,040,392.

Non-operating income and expenses total \$856,000 which include state grants, lease income and property tax revenue. The interest expense is \$65,000. The contribution to other governments is \$102,000; this is the RDA property taxes collected by the county and given directly to the RDA; the District doesn't receive this money.

Capital assets, which includes completed construction that has been reclassified from construction in progress from the year before, totals \$4,172,000 with \$3,316,000 of that reclassified from work in progress. This shows an increase in capital assets of \$535,000.

Auditing with state code, the district is in compliance in all areas and doesn't have any state compliance findings which says a lot since we don't have very many audits that don't have state compliance audit findings.

There is one finding in recommendation on internal controls. With a small number of people in the office it creates limitations in the separation of duties. Our recommendation is to have an independent person review the bank statements and cancelled checks each month and document that review to make sure the payee and amounts are reasonable.

Board Member Vincent made a motion to accept and adopt the audit report as presented. Board Member Howe seconded motion. Vice Chairman Forsgren, Financial Chairman Holmgren and Board Members Scott, Carter, Howe, Day, Capener, Fridal and Vincent voted in favor of the motion.

**Thatcher/Penrose Service District – Randy Nelson & Shaylynn Ekins
Waterline Project**

Board Member Howe introduced Randy Nelson and Shaylynn Ekins from Thatcher Penrose Service District. Shaylynn started with Thatcher Penrose Service District when they implemented the new meter reading and billing software about year ago. We have 233 monthly metered accounts with about 15 miles of waterline and it is maintained by 5 volunteers. We have a 4,000 foot section of line that was installed in 1972 and over the past 2 years this section has had 11 breaks. We have had to shut down service to about 15 customers each time there is a break in the line. This section has become a problem and it needs to be replaced. We will be applying for a grant but in order to do that we have to have some engineering in place. We would like to ask the District for some help with the engineering costs.

General Manager Jorgensen said the District has, on occasion, helped other small private water companies with engineering up to \$10,000 to help with design and to complete applications. This would be on a reimbursement basis, so Thatcher Penrose would need to pay the invoices and then turn them over to the District for reimbursement. The District commends Thatcher Penrose for putting in the new metering system that enables you to find leaks and to conserve water. The District has appreciated working with Thatcher Penrose.

Financial Chairman Holmgren made a motion to reimburse Thatcher/Penrose Water Company up to \$10,000 in engineering costs for their waterline project. Board Member Day seconded the motion. Vice Chairman Forsgren, Financial Chairman Holmgren and Board Members Scott, Carter, Howe, Day, Capener, Fridal and Vincent voted in favor of the motion.

Annual Status Report – Vice Chairman Forsgren

The board members received a written copy of the Annual Status Report of the District for March 2015 through March 2016. Vice Chairman Forsgren read the Mission Statement and went over the highlights from the report that included the following:

- The Officers; Chairman Clinton Burt, Vice Chairman David Forsgren and Financial Chairman Charles Holmgren were elected as officers at the Annual Meeting held March 25, 2015.
- Trustee Brent Baugh, the Bear River City/Corinne representative, retired on December 31, 2015. Charles Holmgren was appointed to represent that area leaving a vacancy representing the Bear River Canal Company.
- Trustees Roger Fridal and David Forsgren were re-appointed by the County Commission to serve another 4-year term.
- The District has four full-time employees: Voneene Jorgensen, General Manager, Robert Phippen and Robert Thayne, Certified Operators and Cassee Harper, Administrative Assistant.

- The 2014 audit was presented March 25, 2015 and given a clean opinion. The 2015 Audit is complete and has been presented at this meeting by Wood, Richards and Associates.
- The District has completed all state water quality monitoring requirements and all standards were met in 2015. Consumer Confidence Reports for 2014 were prepared and each customer was given notice of its availability.
- A Public Hearing was held on December 16, 2015, to adopt the 2016 budget and it has been submitted to the State Auditor's office.
- The District is active in matters of interest in the Bear River Commission and legislature that impacts the District and the 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.
- The District policies, projects, public notices, meeting agendas, minutes, board member and staff contact information are accessible through the Districts website at www.brwcd.com.
- The District's financial statements and payroll information have been submitted and posted to the Utah Transparency website quarterly and annually as required.
- The following studies have been completed this past year: Collinston Water System Facility Plan and Analysis, the Water Conservation Plan, the South Willard Drinking Water Source Protection Plan and the Hansel Valley Water Study.
- The District completed the South Willard Well Renovation Project in 2015.
- The Board has approved the development of a new county wide water master plan.
- Chanshare Inc., leases the District's land in the Bothwell area and that lease has been extended.
- The District served 125 acre feet of water to retail customers and 351 acre feet to wholesale customers in 2015.
- General Manager Jorgensen represents the District and serves on the Executive Water Task Force, the State Water Development Commission and Boards of UWU, UASD serving as 2nd Vice Chairman, Governors State Water Advisory Team and the Bear River Development Work Group.

Financial Chairman Holmgren made a motion to accept the Annual Status Report. Board Member Capener seconded motion. Vice Chairman Forsgren, Financial Chairman Holmgren and Board Members Scott, Carter, Howe, Day, Capener, Fridal and Vincent voted in favor of the motion.

Trustees Reports

Charles Holmgren – The Bear River Canal Company's Annual meeting was held on the same night as the last District board meeting. The Canal Company passed a resolution to support borrowing money from the Division of Water Resources to do specific projects, such as work on the Hammond Canals. We haven't gone to bid yet so we probably won't get our projects completed before water is in the canal. In the election of board members David John was defeated by Blake Norman so there has been a change of board members.

In the next 3 weeks there will be a Bear Lake Preservation Advisory Committee to receive allocation from Bear Lake. We then wait until the April 1st water forecast from NRCS. Last year we started drawing from Bear Lake on May 1st and this year we expect to take water later.

Tyler Vincent – No Report

Roger Fridal – I went the space laboratory building in Logan and found out I was a week early for the Northern Utah Water Conference. It was a worthwhile trip because I was able to speak with Will Atkins at the Division of Water Rights regarding Tremonton's permit to pump the Cedar Ridge well. I found out Tremonton was actually denied the application to pump water two years ago and they neglected to tell us. Things in Tremonton are going very well. We are using a lot of the District's water and we will continue to do so.

Neil Capener – No Report

Richard Day – I went to some excellent training St. George. The classes seem to get better every year. Chairman Clint Burt received a Life Service Award at the Utah Water Users Workshop because of his many years of service in so many aspects in the community.

Russ Howe – We went to Rural Water Association of Utah Conference in St. George and took two people from Thatcher Penrose and one became a certified operator this month. We are very excited about that.

Jay Carter – No Report

Jeff Scott – We had a meeting with Senator Lee this morning and asked about Waters of the U.S. and how we can kill it before it takes on a life of its own. He has a bill before Congress that is called The Rains Act that will bring in the laws and regulations that these agencies are passing so they would have to approve them before these agencies can overstep their bounds. The Rains Act passed the Senate and the House before it got vetoed, but he is not giving up.

I have some reports on the Great Salt Lake about what is going on with their water. This afternoon was the BRAG meeting and they had someone from Envision Utah there who said, of the 53,000 people who responded to their survey, the number one concern was water in the future. They are extremely concerned about agriculture and there is a 500% increase in people who are supporting agriculture over the past 7 years.

Dave Forsgren – I was talking to Honeyville's public works director and our springs up about 70-80gpm from last year. That is a good report.

General Manager's Report – Voneene Jorgensen

Chairman Burt was given a Lifetime Service Award at the Utah Water Users Workshop in St. George. He was unable to be here tonight but wanted me to express his appreciation to the

Board how much he enjoys serving on this board. He plans on serving out the remainder of his term and when it expires in December of this year he will not seek reappointment. General Manager Jorgensen has been working with Chairman Burt for 23 years and not once has she heard him say anything derogatory or mean about anyone. He will always turn a confrontational situation around and be cordial. I have appreciated that anytime we have called and needed something he was always willing to come right in to the office. I admire his leadership. He leads quietly and he has always been one I can call and visit with and ask questions. With his leadership and the Board's support, the District has been able to accomplish a lot of great things.

Board Member Vincent added that he has known Chairman Burt his whole life and he has always been about service and he always had time if anyone ever needed his help.

The legislative season is over and districts came out pretty much unscathed. The best thing that came out of this legislative session was SB80. This bill returns the 1/16th sales tax revenue, that was lost to transportation, in 20% increments over the next 5 years. SB80 was sponsored by Senator Adams and Representative Perry.

Charles Holmgren and I attended another Bear River Development meeting. They talked about the importance of the Great Salt Lake and the impacts that people perceive will happen. Those impacts to the Great Salt Lake will be studied through the NEPA process. We need to make sure the issues are addressed, their concerns are acknowledged and studies are done. The Bear Lake Development Project is a great project and we need to protect our allocation.

Annual Policy Review –

Rules & Regulations

The District has a customer in Harper Ward who has applied for an accessory dwelling unit. The county has an ordinance that conflicts with the District's Rules & Regulations. Our policy states that every residence that has a kitchen and bathroom facility is considered a separate dwelling and has to have a separate meter. The county's policy states that you can put an accessory dwelling or a small home in a parcel in the same lot as the other home, cannot be sold separately, and prohibits installing separate utility meters and separate addresses. We recommend making an exception to our Rules & Regulations to reflect the county accessory dwelling policy. Vice Chairman Forsgren mentioned that in this situation, Honeyville has charged the accessory dwelling the basic rate in addition to the existing house and doubled the basic water use. Board Member Howe said that Thatcher Penrose does the same thing.

A motion was made by Board Member Scott to amend District Policy to reflect the ADU Ordinance with Box Elder County. Board Member Vincent seconded the motion. Vice Chairman Forsgren, Financial Chairman Holmgren and Board Members Scott, Carter, Howe, Day, Capener, Fridal and Vincent voted in favor of the motion.

A motion was made by Board Member Day to charge the current basic water rate for an Accessory Dwelling Unit (ADU) in addition to the existing home. Board Member Scott seconded the motion. Vice Chairman Forsgren, Financial Chairman Holmgren and Board Members Scott, Carter, Howe, Day, Capener, Fridal and Vincent voted in favor of the motion.

Bylaws

There are a few items in the Bylaws that need to be amended;
In Section 3.4.4 – Required Public hearings shall be noticed in the same manner as regular meetings. This needs to be updated to read “Public Hearing Notice - Must publish notice in at least one issue of a newspaper of general circulation in which the district is located, post written notice at the district office and post the notice on the Public Meeting Notice website at least 7 days prior to the public hearing”. Utah Code 17B-1-643

In Section 4.1.2 – The last sentence that reads “the General Manager shall be appointed by the majority vote of the board” and in Section 4.1.3 – “a General Manager shall serve until a new General Manager is appointed and qualified” need to be deleted as the General Manager is not an appointed position and this should not be in the Terms of Office section.

Section 4.1.4 – Does not address any procedure if an officer leaves for any reason during the term. I would like to suggest an election be held for the vacant position at the next board meeting.

Board Member Scott asked for the verbiage on Section 4.1.4 as far as officer vacancy. Charles suggested to adopt the District Bylaws after a new document is printed for review and to adopt the changes at the next board meeting. General Manager Jorgensen suggested to have the board read through the bylaws to see if there are any other recommendations and see how the policy and procedures manual match up to the hiring procedure for the General Manager.

Office Repairs –

We had some water seep up through the carpet in the back office that Bill Bigelow uses. After pulling back the carpet we found that we actually have plumbing in the back office and apparently that area used to be restrooms at one point in time. We feel this is a great opportunity to construct ADA compliant restrooms in the building for around \$20,000.

When the District first moved into the building 20 years ago, we had an estimate to add main floor ADA restrooms at around \$45,000.

A motion was made by Board Member Vincent to approve funds to add two ADA restrooms to the main floor of the District office building. Financial Chairman Holmgren seconded the motion. Vice Chairman Forsgren, Financial Chairman Holmgren and Board Members Scott, Carter, Howe, Day, Capener, Fridal and Vincent voted in favor of the motion.

Cache Valley Property –

We have been working on getting costs for appraisals for the Cache Valley property. The range is \$1,500 to \$2,150 to get an appraisal for the 18 acre parcel.

Mr. Heber Lundberg, who is our neighbor to the west in Cache Valley, came in to visit with me one day to ask about leasing the property and also said he would be interested in purchasing the property if the price was right.

I would like to get some direction from the Board on whether to pursue this and find out how much he would offer to purchase the land for without going through another appraisal. Also, what amount would the Board like to sell the land for? The Board gave direction to not sell the land for less than \$135,000.

Financial Business – Charles Holmgren Approval of Financial Statements

The financial statements for February 2016 were prepared and provided to the Board Members. Financial Chairman Holmgren 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 as presented. The motion was seconded by Board Member Fridal. Vice Chairman Forsgren, Financial Chairman Holmgren and Board Members Scott, Carter, Howe, Day, Capener, Fridal and Vincent voted in favor of the motion.

Election of Officers – Vice Chairman Forsgren

Board Member Vincent made a motion to suspend the rules and retain the officers by acclamation. The motion was seconded Board Member Capener. Vice Chairman Forsgren, Financial Chairman Holmgren and Board Members Scott, Carter, Howe, Day, Capener, Fridal and Vincent voted in favor of the motion.

Public Comment

There was no public comment.

Adjourn

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

The meeting adjourned at 9:05 p.m.