

**Bear River Water Conservancy District  
Annual Board Meeting  
Wednesday, March 28, 2018 7:00 p.m.  
Bear River Water Conservancy District Conference Room  
102 West Forest Street, Brigham City, Utah**

**Minutes**

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

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

Visitors: Bill Bigelow – Hansen, Allen & Luce  
Kennedy Allen – Child Richards CPA’s & Advisors  
Matt Millis – Zion’s Bank  
Judy Leonhardt – Collinston

**Invocation:** Board Member Neil Capener  
**Pledge of Allegiance:** Board Member Jay Carter

**Adoption of the Agenda – Chairman Fridal**

A motion was made by Financial Chairman Holmgren to approve the revised agenda. The motion was seconded by Board Member Vincent. Chairman Fridal, Vice Chairman Forsgren, Financial Chairman Holmgren and Board Members Carter, Howe, Day, N. Capener, Larson, Vincent and J. Capener voted in favor of the motion.

**Approval of the Minutes for the Board Meeting held February 21, 2018.**

The minutes of the Board Meeting held February 21, 2018 were included with the packet that was provided to the Board Members.

A motion was made by Board Member N. Capener to approve the minutes with corrections for the meeting held February 21, 2018. The motion was seconded by Board Member Day. Chairman Fridal, Vice Chairman Forsgren, Financial Chairman Holmgren and Board Members Carter, Howe, Day, N. Capener, Larson, Vincent and J. Capener voted in favor of the motion.

Jeff Scott arrived at this time.

**Presentation and Adoption of the Audit  
Kennedy Allen – Child Richards CPA’s & Advisors**

The 2017 Audit Report was presented to the Board. There were no issues or findings and they are issuing an unqualified report for December 31, 2017. An unqualified report is the best report you can get. She pointed out some noteworthy items. On page 6, the statement of net position for the District. The current assets starting with cash and investments at \$1,412,138. This is made up of bank accounts and any non-restricted PTIF accounts. The total assets are at \$14,562,503 with total liabilities at \$5,592,028.

Charges for services are at \$358,489 and total expenses are \$1,132,383 for a net loss from operations of \$773,894. The net non-operating income and expenses are \$1,372,802 with a change in net position of \$598,908 for a net position at the beginning of the year of \$8,461,569 and a net position at the end of the year of \$9,060,477.

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

**Financial Plan – Matt Millis, Zion’s Bank**

This is in conclusion to a meeting we had a couple of years ago where we presented the scope of work for a financial plan. With that scope of work, we proposed an excel model that can be manipulated to be able to look at forward planning needs and come up with a lot of different solutions in terms of looking at rates, capital project timing, bonding timing, cash balances and a whole bunch of different types of financial metrics. One of the things that has enhanced this model is the Master Plan which is what this financial plan is based upon. The District has a lot of capital projects in the future and we want the District to have financial solutions to fund those projects in the least expensive way possible. The financial model is extremely interactive and dynamic, so you can update or change things any time and it will trickle through the entire spreadsheet and change things accordingly. Matt Millis demonstrated the Financial Plan to the Board.

**Annual Status Report – Chairman Fridal**

The board members received a written copy of the Annual Status Report of the District for March 2017 through March 2018. Chairman Fridal read the Mission Statement and went over the highlights from the report that included the following:

The District owns property in the Bothwell area and subleases it to Chanshare Inc. where they manage a successful sod business.

The Drinking Water Source Protection Plan for the Lower Beaver Dam Springs and Sleepy Hollow Springs in the Beaver Dam Water System were completed and submitted to the Division of Drinking Water.

The county wide Master Plan was completed in September 2017. It included an analysis of the future water supply and demand, population projections, conservation, a public outreach that included stakeholder input, and designated projects that are needed in the future. A chapter discussing the District's participation in the Bear River Development Project summarizing where and when Box Elder County will need water from this project was also included. The Master Plan was funded by the Division of Drinking Water Board through a loan and 50% principal forgiveness.

The District operates and manages six culinary water systems in different areas of Box Elder County that have wholesale and retail components. 150-acre feet of water was delivered to 217 retail customers and 476-acre feet to 8 wholesale customers in 2017. Through these culinary water systems, 16 entities can be served in an emergency, to augment, or backup their existing water supply.

To support the County in their effort to control the noxious weeds and to protect our water sources, the District has instigated a new environmentally friendly weed control program (EFWCP). The District purchased nine goat wethers to control the growth of weeds on District property in the areas around our water sources.

Voneene Jorgensen, General Manager, representing the District, serves on the Executive Water Task Force, the State Water Development Commission, and the Boards of the Utah Water Users, Utah Association of Special Districts serving as 1<sup>st</sup> Vice Chairman, Governors State Water Advisory Team, and the Bear River Development Work Group.

The State Division of Water Resources is moving forward with the study of the Bear River Development Project. The study is continuing and has been going on since 2006. The Bear River Development Act allocated 60,000-acre feet of storage water in a state-owned storage facility to the Bear River Water Conservancy District. Six reservoir sites have been selected for further study, two are in Box Elder County, Whites Valley and Fielding. The District, as a stakeholder, continues to participate in the discussion and evaluation of the studies. The Bear River Development Project is Box Elder County's future water supply.

The District continues to partner with Cache County in the cloud seeding program administered by the Division of Water Resources with a cost share of 50%. The program operates December 1 through March 31 of each year. The District has participated in this program for 29 seasons for the eastern Box Elder area and 25 seasons in Western Box Elder County and the analyses show that the cloud seeding program has, on average yielded seasonal precipitation/snowpack increases in the range of 10-15%. An updated

2012 report estimated an average annual increase in runoff due to cloud seeding in Northern Utah of 56,300-acre feet with the resulting cost per acre-foot for the additional water being \$1.55.

### **Trustees Reports**

**Jeff Scott** – The news says Northern Utah is doing ok on moisture. We have gotten some precipitation in the last month. The caucus went well but I think it's going to be a long year.

**Jay Carter** – A week ago we had 2 storms and it showed more than an inch in my rain gauge from those 2 storms then 9 inches of snow. I have a well rig drilling today, they have hit some water for a stock well.

**Russ Howe** – No Report

**Richard Day** – The classes in St. George were very good, both Rural Water and Utah Water Users.

**Neil Capener** – No Report

**Mark Larson** – I appreciate going to St. George, the classes were great.

**Tyler Vincent** – I was disappointed that we got 1.9 inches of water on Thursday and all this water went downstream. The flooding started at 8:00 p.m. and we had so much rain so fast we couldn't contain it and the debris coming out of the canyon dammed up the bridges. We should visit with Mark Millet and Bill Gilson from the County about the flooding. The road from docks flat was washed out about 5 feet wide. An influx of citizens came to help sandbag. We had so many people show up we had to line them up because we were tripping over each other. 300 West was a river, curb to curb, for about 5 hours. Brigham City has water.

**Jay Capener** – The wheels came off the bus for early negotiations with PacifiCorp, we are back to May 1<sup>st</sup> for water in the canal. I read an article in the news this week about the population growth. They were calling it a Ponzi Scheme that we will put all the infrastructure in for public services but then don't have enough revenue to update and maintain it.

**Charles Holmgren** – The reason the wheels fell off getting early water in the canal is because last Friday afternoon the State of Idaho had a public meeting because the States of Utah and Idaho filed on the upper 5 feet of Bear Lake. This filing was going to be done by Idaho whether Utah participated or not. Idaho met with the Board of Water Resources and, I am the Chairman this year, so I have been involved with the negotiations that have been going on between Utah and Idaho. Utah was trying to keep a lid on this to make sure we had everything done correctly. Idaho has a different process for water rights and water resources and they had to do a public

hearing. PacifiCorp attended the meeting and they were very upset. The Governor of Utah is worried about retribution from PacifiCorp. The Idaho Governor is fully supportive of this process where the states are filing on the upper level of Bear Lake. The 2 states and PacifiCorp will meet and try to resolve their differences.

Legal advice to the Utah Division of Water Resources was that it was something that needed to be done, that PacifiCorp did not have a place to put this water to beneficial use. PacifiCorp will benefit from this, they will get their spinning reserves on their power plants along the Bear River with this additional water in Bear Lake and they will be made whole. The reason for the filing by the State of Idaho was that PacifiCorp was going to charge the irrigators \$55 per acre foot of water which would have made it economically impossible for irrigators.

Idaho could have filed on its own, but half of the lake is in Utah, so Utah needed to file for half the water. The filing was motivated by the State of Idaho and Utah joined in for their own protection. It is a big deal and it is a big mess and we will see what happens moving forward. PacifiCorp claims they own the five feet on top of the lake, the Idaho water attorney says they do not use it and they have a precedent in the State of Idaho with the Bureau of Reclamation about who owns the water in a reservoir and it is the people who put it to beneficial use and not who is storing it.

Before 1912, Utah Idaho Sugar Company owned the water rights and facilities in Bear Lake and owned the facility where Cutler Dam is. In 1912, the sugar company sold all generation rights in return for a perpetual 900 cfs water right to Bear River Canal Company, or U&I Sugar, and pay PacifiCorp \$4,000 per year, that amount was set in 1912.

PacifiCorp would run the lake up to a certain elevation leaving room in the lake for flood control. The reason they left that gap is to stay out of litigation with the people in Gentile Valley. I told the Governor yesterday if PacifiCorp had been reasonable in their cost structure to the irrigators for that water we would not have been in that meeting yesterday. The way they have operated Bear Lake this winter with the low snowpack, people are angry.

They have been taking water out of the lake all winter. We have been pleading with them to stop, they finally have stopped taking water out of Bear Lake, but they aren't putting any water into the lake.

The Canal Company negotiated an agreement to take water anytime between April 1– May 1, the 1912 contract dictates May 1. There are years they would give it to us early for no charge but now they want a lot of money for early water. Extra assessments have been charged for early water and now PacifiCorp has denied early water. The Canal Company can take 150 cfs in the winter but we can't take full flow which would be usable by the shareholders. The 150 cfs was a winter water right that was put in place for operation of the canal company to keep the canals full in the valley because that is where the culinary water came from at one time.

PacifiCorp has been trying to buy flood easements in the Gentile Valley of Idaho, which is just below Grace, ID. The Idaho Board of Water Resources is meeting with local landowners this evening to try to negotiate the purchase of those easements for flooding on the Bear River in Gentile Valley. The President and Vice President of the Bear River Canal Company are attending that meeting tonight.

On April 12 in Mendon at 10:00 a.m. there is a Bear Lake Preservation Advisory Committee meeting. And on April 17 in Salt Lake City is the Bear River Commission Meeting.

**Dave Forsgren** – The Bingham loop waterline was completed in mid-February, the first of March. It increased the fire flow by double. This project was 25 years in the making. It was a good project to get done.

**Roger Fridal** – Tremonton is moving along and had a good meeting with the District. We will get by this year and with the support of the District we will get by in the future.

I had an opportunity to go to some civilizations in Central America a few weeks ago. It was fascinating that people who lived between 500 BC and 500 AD had huge temples and cities. Years ago, they did LIDAR on a city and estimated it had about 1 million people. Then, with the LIDAR they had done in the last year or two they think this city might actually have had 20 million people. These people that lived 2,000 years ago had sewer lines and waterlines in their city. They said it was their failure to plan on water that brought about the failure of these civilizations. Water was important 2,000 years ago and it continues to be important today. These ancient civilizations took too much forest and managed their water poorly. We should learn from this.

#### **General Manager's Report – Voneene Jorgensen**

We are happy to have the audit complete and to have a good outcome. I am excited to have the financial plan almost complete, it is going to be very helpful. We have received quite a few protests on our water rights applications. Everyone has a right to a voice and we will go through the public hearings with the Division of Water Rights.

We are moving forward with the Collinston water source. We have easements signed with the Kliger's and Stevenson's to put in the monitoring well and to monitor Mr. Kliger's well. The well should be drilled sometime in the next few weeks. We are excited about that because we will be able to monitor the water level of those springs and Mr. Kliger's well.

You were given a copy in your packet of which legislative bills have passed and what the UASD tracked. The outcome of SB 303 will impact us. The director of the Division of Drinking Water gave some clarification and we will be able to use one engineering study for all our systems instead of 6 different ones.

#### **Tremonton Booster Station –**

We have been working with Hansen, Allen & Luce on the booster station for Tremonton City. We appreciate the Resolution from Tremonton thanking the District for their help.

#### **Bill Bigelow, Hansen, Allen & Luce –**

Over the years since the Bothwell system was put in the pressure delivery to Tremonton has been low and it has become a problem for Tremonton. Over the past few weeks we have met with Paul Fulgham a couple times and we have come up with some ideas. The general plan on the District side is to build a booster pump station to provide more pressure but we also must look at what was happening on Tremonton's side to make sure Tremonton will be able to receive the water.

**Office Building Roof –**

In relation to the new roof for the District office, we have had leaks and we have had quotes to fix the leak. We have received some quotes to put a new roof on the building that range from \$50,000 to \$65,000. We need to have more specific details before we can move forward with putting on the pitched roof. General Manager Jorgensen asked the Board how they felt about the options of replacing the roof with a new pitched roof, or just repairing the liner now and replacing it later. It was the consensus of the Board to replace the roof now because construction costs are going to continue to go up and repairing the roof will only be a temporary fix.

A motion was made by Board Member Howe to go ahead with the engineering and to replace the roof on the District office building. The motion was seconded by Board Member Vincent, Chairman Fridal, Vice Chairman Forsgren, Financial Chairman Holmgren and Board Members Scott, Carter, Howe, Day, N. Capener, Larson, Vincent and J. Capener voted in favor of the motion.

**Water Rates and Fees –**

We have an issue with delinquent accounts. There are about 25 customers that are habitually delinquent, and it is a drain on our resources and our time. I contacted a friend of mine who works for White City Water about what they charge for late fees. She said they started small like us then went to a \$1, then to \$2, no change, then to \$5, with a small improvement; no change. When they increased their late fee to \$7.50 their delinquent accounts went from 30% to 12%. I feel like the District needs to do something like this. This District needs to review our water rate structure and would like to consider raising the fee for delinquent accounts at that time. We need to get these delinquent accounts to start paying on time and a higher late fee may be a solution.

We are going to start sending our statements to Freedom Mailing in Orem to mail our monthly statements, this will save us a lot of time and money.

**Valve Replacements –**

We have replaced the waste valves inside the Bothwell pumphouse and decided it was time to replace the old original farm valves also. We had significant leakage in those valves.

**Financial Business – Charles Holmgren  
Approval of Financial Statements**

The financial statements for February 2018 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 Howe. Chairman Fridal, Vice Chairman Forsgren,

Financial Chairman Holmgren and Board Members Scott, Carter, Howe, Day, N. Capener, Larson, Vincent and J. Capener voted in favor of the motion.

### **Public Comment**

**Judy Leonhardt:** In the news they said this water year we were at 68%. Financial Chairman Holmgren said that Box Elder County is at 85% and the Raft River is at 94%. Mrs. Leonhardt also asked about the Annual Northern Utah Water Conference in Logan. She wanted to know if they have a date set or if they are going to reschedule it. General Manager Jorgensen explained that in previous years under Bob Fotheringham's direction, the BRWCD, the USU Extension and the Conservation District sponsored that Conference. Since Bob Fotheringham left Cache County it was decided the new Cache Water Conservancy District will oversee planning that Conference. Since they are so new, they are not quite ready to do that, so they have cancelled it for this year.

### **Election of Officers – Chairman Fridal**

Chairman Fridal opened nominations for Chairman, Vice Chairman and Financial Chairman.

Board Member N. Capener made a motion to retain the officers as currently constituted. The motion was seconded by Board Member Vincent. Chairman Fridal, Vice Chairman Forsgren, Financial Chairman Holmgren and Board Members Scott, Carter, Howe, Day, N. Capener, Larson, Vincent and J. Capener voted in favor of the motion.

### **Closed Session – To Discuss the sale, lease or purchase of real property**

A motion was made by Board Member Scott to go into a closed session to discuss the sale, lease of purchase of real property. The motion was seconded by Board Member Vincent. Chairman Fridal, Vice Chairman Forsgren, Financial Chairman Holmgren and Board Members Scott, Carter, Howe, Day, N. Capener, Larson, Vincent and J. Capener voted in favor of the motion.

A motion was made by Board Member Scott to go back into general session. The motion was seconded by Board Member Vincent. Chairman Fridal, Vice Chairman Forsgren, Financial Chairman Holmgren and Board Members Scott, Carter, Howe, Day, N. Capener, Larson, Vincent and J. Capener voted in favor of the motion.

Board Member Vincent made a motion to sell the property in Cache County as discussed in closed session. The motion was seconded by Board Member Scott. Chairman Fridal, Vice Chairman Forsgren, Financial Chairman Holmgren and Board Members Scott, Carter, Howe, Day, N. Capener, Larson, Vincent and J. Capener voted in favor of the motion.

### **Adjourn**

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

The meeting adjourned at 9:52 p.m.