

Bear River Water Conservancy District
Wednesday, April 28, 2010 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, Dave Forsgren, Charles Holmgren, Bruce Christensen, Brent Rose, Richard Day, Stan Stokes and Commissioner Brian Shaffer.

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

Visitors: Bill Bigelow (Hansen, Allen & Luce),
Randy Marble (Chanshare Inc.)

Invocation: Board Member Brent Rose

Adoption of the Agenda

There were no changes to the agenda.

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

Adoption of the Minutes for the meeting held March 24, 2010

A copy of the draft minutes of the Annual Meeting 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 of the Annual Meeting held March 24, 2010 as recorded. Financial Chairman LaRall Thompson seconded the motion. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Rose, Forsgren, Baugh, Day, Shaffer, Stokes, Holmgren and Christensen voted in favor of the motion.

South Willard Project Update – Bill Bigelow, Hansen Allen & Luce

Bill Bigelow gave an update of the South Willard project. The pipeline contract has been closed out and final payment has been made to the pipeline contractor. We have been waiting most of the month for the tank to dry before applying the membrane. There are fans blowing all the time and he has been putting pressure on to get more fans. System Operator, Bob Phippen tested the moisture level with a meter and found it was almost saturated. The moisture level has to be 5% in order to apply the membrane and have it adhere properly. The moisture level in the concrete now is at 65%. The fans have been blowing for a couple of weeks. He was hoping to come with a report that the tank is all done and filled but he is determined to do it right.

Board Member Reports – Trustees

Ross Rudd: reported there are some people out his way that would like to do something but they don't know where to start. There is pressure on the farm business. He inquired if Scott Grover had been in touch with the District and was told by General Manager Jorgensen that he has not.

LaRall Thompson: reported he had someone ask him about digging a well in Marble Hills. General Manager Jorgensen explained they can dig a well but cannot use it without a water right. They would need to submit an application for a domestic water right.

Brent Baugh: No report.

Bruce Christensen: reported on current water system development in Brigham City. They have completed drilling on the flat bottom well. They are waiting for the final approval of the state to start pumping. They drilled 900 feet to hit the aquifer. They have also started another well on the Anderson property and have done a test hole. They have one other well to drill further north. They have been working on the Mantua Reservoir to install a new outtake system and it is now complete. This will allow the city to water the entire cemetery with the reservoir water and that will save about 1,000,000 gallons of culinary water per day in the summer. Brigham City has started delivering water to Procter & Gamble and they are sending some water back to the sewer plant.

Stan Stokes: No Report

Dave Forsgren: No report

Brian Shaffer: reported the big news in the County is the recent ribbon cutting at the Procter & Gamble Distribution Center. The building is very nice and it will be a great business in our community. Anyone would be proud to work there. The governor was at the ceremony and gave a speech. It is a good thing for the County and he is hopeful this will encourage more of that kind of growth. The announcement was made Monday that Procter & Gamble will drill two test wells on their property in an effort to locate a source for geo-thermal energy. If found, it will have huge

positive effects on the environment and may allow Procter & Gamble to be able to classify their products as green or earth friendly.

Richard Day: reported he attended a meeting at which the Bear River Health Department stated a new requirement that you have to have .9 acre to build a home with a septic tank. Previously the rule was .5 acre or ½ acre. Board Member Day stated he believes it is not the county but the state or federal government driving this.

Charles Holmgren: reported he attended the Bear River Commission meetings a week ago in Salt Lake City. There were a number of retirements announced. Hal Anderson, who has been an Idaho representative, is retiring. Jack Barnett wants to step down as engineer / manager of the commission. He has been there since 1986. He is recommending that his son, Don replace him. There was some discussion about the process of selecting a new manager. There is nothing formal in the Bear River Compact that defines this process. Board Member Holmgren wondered about the position with the private work the Barnetts do within the basin and whether there is a conflict of interest. Their business is Barnett Water Intermountain.

There has been quite a bit of discussion regarding the remote telemetry watching the river. It looks like they will be moving away from Stonefly in St. George to another provider and go out to bid. Their contract ends July 1st but the Commission may finish out the year with them.

There is a protest hearing to be held next Tuesday at the Court House at 1:30 p.m. regarding the filing of Procter & Gamble for canal water for the purposes of expansion of the plant. The Bear River Canal Company has withdrawn their protest but it could impact people on the river from 7200 North to the Bird Refuge that have pumps on the Bear River. They are proposing to use around 7 cfs and are buying Canal Company shares to mitigate for that. However, the proposed mitigation will require the Canal Company to deliver directly to the Bear River Club and to the Bird Refuge and the other river users will get left out. It is somewhat a benefit for the Canal Company to run the water in the canals. Commissioner Shaffer questioned if there was a way to get water to those users through the canal system but Board Member Holmgren explained the plan was changed and they want a consistent water quality all the time (not changing from river water to canal water). Board Member Christensen explained Procter & Gamble uses the water just for cooling and then will put it back but what is discharged is very hot. Board Member Holmgren believes the excess will go back to the Malad River and they will have a discharge permit. The Canal Company was told it would be 80 or 90 degree water when they looked at taking the water back into the canal.

Board Member Holmgren then reported the Canal Company put water in the Hammond Canals yesterday. They would have gone in the West Canal before now but there was a sink hole near Cutler Dam. It is right at the transition point and they could not determine if it was the Pacificorp's responsibility or the Canal Company's. Pacificorp did take liability and have made an attempt to seal the sink hole. He has looked at the USU archives showing Compton's photographs of Cutler Dam in the early 1900s. Apparently the sink hole has to do with one of the structures that forced the water down the pen stock to drive the turbine before the dam was built. Water should be going into the West Canal tomorrow.

He attended a Bear Lake Preservation Advisory Committee Meeting and a water quality meeting. The Canal Company received their allocation and should have adequate water. The

discussion at the meetings included emphasis on protecting water bodies from the mussels. They wreck havoc on boats, pumps, power plants and are very injurious to endangered species.

He attended the tour of the Bear River Pipeline corridor with our General Manager. Bob Fotheringham told him there is a new group of water users forming that is more specific to irrigation systems.

Marble Hills has approached West Corinne Water Company regarding emergency water or fire flow.

Brent Rose: No report.

Clint Burt: No report.

General Manager's Report – Voneene Jorgensen

Collinston Project

General Manager Voneene Jorgensen reported the District has been talking with Ukon Water Company over the years and there are two basic goals for the Collinston project: to lower arsenic levels in Ukon's water by blending our water with their water and to supply for future water demand. The Board received a map in the packet of the District's Master Plan. The District met with Larry Peterson, Mark Larson and Matt Peterson and discussed options. We have an application for funding that was sent in 2008 to the Corps of Engineers and we will be following that up. This project has been in the District's Master Plan since 2005. We have water rights on two sites so we feel we have enough water. Bill Bigelow spoke and referred to the map showing the proposed water line and presented the idea for building the first segment and then head west. The District could increase deliveries to Ukon and Riverside/North Garland. There is no public water system along Highway 38 in that area. It would open up for development and be similar to Harper Ward. Lynn Sagers from Rural Development has been approached for funding. The next step is assessing the number of homeowners that would be willing to connect. Commissioner Shaffer, who is on the board for Ukon Water, stated they are looking for water sources. They see this project as enhancing their system in more ways than just another water source. Their main problem is with the controlling of the arsenic and with the fresh water put into their tank, they would not need to put a filter on the system. Ukon is very supportive of the project. It will also help several residents and businesses. Chairman Burt explained there are presently residents who have had to haul in water. General Manager Jorgensen explained we need firm commitments in order to move forward. The project and the costs need to be defined. We may possibly need to drill a test well. We feel this is a good time. General Manager Jorgensen explained that surveys were done in 2003. It is pointed in the direction of Beaver Dam and would be a step in the right direction to help them. Commissioner Shaffer asked the District to explore the idea to purchase Steve Welling's well in Plymouth. The well is an irrigation well that would have to be re-fitted. General Manager Jorgensen stated the District was approached by Mr. Welling a couple of years ago wanting us to purchase the well. At that time, the District declined because the price was too high. General Manager Jorgensen explained if we extend the bypass line about 1 ½ miles and hook on to the Riverside/North Garland system, it would give an unlimited

source of supply to them and allow Ukon to blend the water to decrease the arsenic. The Collinston Project would provide unlimited water to Ukon and the Collinston area for the future

Fire Flow in Harper Ward Area

Board Member Dave Forsgren gave information from a water study that Hansen & Associates has completed for Honeyville. The study indicates Honeyville has enough surplus water and enough pipelines in place to provide fire flow and culinary water to Harper Ward without developing more water. The Honeyville City Council approved and he has written a letter to the LDS Church stating that Honeyville will serve fire flow to a new Stake Center in Harper Ward. It is about a \$230,000 project. It would start at approximately mile post 7 and go south 1¼ miles to tie into the District's 10" line near the Honeyville boundary to provide the fire flow. There will be costs to Honeyville to install additional fire hydrants on the west side of the road and an additional \$200,000 to be paid by the District and the LDS Church. Payment for fire hydrants for the Harper Ward area will have to be worked out. The question before this board is what is our position and what portion of the \$200,000 will we fund. This figure is not including the valves and fire hydrants. General Manager Jorgensen explained financing options of using funds from Harper Ward revenues and getting a general bond from the State. General Manager Jorgensen spoke to Rod Cottle who is a Harper Ward resident and an insurance agent. He was very excited about putting in fire flow in Harper Ward and told her the home insurance premium is double in areas where there are no fire hydrants. General Manager Jorgensen suggested an increase in the water rate to help off-set the costs of the system. The Board continued to discuss the project. Board Member Day stated he believes we have to do this with the State pushing it and the County requiring it. We need to move forward and commit \$75,000 toward the funding and hopefully, the church will commit to the remaining amount. Chairman Burt expressed he has been very anxious for fire flow out there.

Vice Chairman Ross Rudd moved to pursue the project. The motion was seconded by Board Member Richard Day.

The Board continued to discuss the support of the project. Board Member Christensen stated Brigham City may put a reservoir in the Kotter Canyon area. General Manager Jorgensen explained Brigham City has always turned us down on fire flow so we have purchased property for a well to be able to provide it for ourselves. Other concerns expressed included wanting to see the figures on paper and control of the water system with two systems joined together. Board Member Forsgren explained the current system and what would be necessary for extending Honeyville's system. The Board will have another meeting before the decision has to be made regarding the funding support. They will look at the figures to be provided for the next Board Meeting.

A vote was taken on the motion. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Rose, Forsgren, Baugh, Day, Shaffer, Stokes, Holmgren and Christensen voted in favor of the motion.

General Manager Jorgensen continued with her report. She attended the meeting with the Water Quality Board regarding our application for the classification of the aquifer in Whites Valley.

The Board classified the Bothwell Pocket but not Whites Valley. We do have an opportunity to re-petition the Board to have Whites Valley classified. A new report by Utah Geological Survey showing where the water is coming from will be released soon. It will give further documentation in support of our petition. When the Water Quality Board made their decision, it was not as they have done before. The attorney and staff met afterward and felt the bar has been raised for evidence. We have support of the staff and the attorney in the Attorney General's office. General Manager Jorgensen will request equal time to make a presentation at the next hearing. It would help to have a county ordinance in place that will not allow a landfill over a principal recharge area. Commissioner Brian Shaffer agreed to work on this.

General Manager Jorgensen reported she has met with Randy Marble to discuss providing an emergency back up source and a future water supply for Marble Hills. She will continue to work with them and look for grants.

Dale Byington contacted the District regarding the lease of the Cache Valley Property. Chairman Burt was in favor of the lease. A contract was sent to Mr. Byington but it has not been returned to us.

There will be a public hearing held for our water rights filing for South Willard on Wednesday, May 5, 2010 at 1:00 p.m. in the County building.

The Weather Modification program has ended for this season and we will be receiving the balance of the state's participation. There were 17 storms seeded in the season. However, we did not use all of the budgeted generator hours.

Retail Rules and Regulations

This item not discussed.

Financial Business – LaRall Thompson Approval of the Financial Statement

The financial statements were prepared and included in the packet that was mailed to the Board Members. Financial Chairman LaRall Thompson asked if the Board had reviewed the financial statements and requested a motion to approve them.

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

Closed Session to discuss the purchase, exchange or lease of real property

Commissioner Brian Shaffer moved to close the regular meeting and go into a closed session. The motion was seconded by Board Member Richard Day. A roll call vote was taken.

Voting Aye:	Clint Burt	Voting Nay:
	Ross Rudd	
	LaRall Thompson	
	Brent Baugh	
	Bruce Christensen	
	Stan Stokes	
	Dave Forsgren	
	Brian Shaffer	
	Richard Day	
	Charles Holmgren	
	Brent Rose	

The Board discussed the purchase and lease of real property.

Board Member Dave Forsgren moved to leave the closed session and return to the regular meeting. Commissioner Brian Shaffer seconded the motion. A roll call vote was taken.

Voting Aye:	Clint Burt	Voting Nay:
	Ross Rudd	
	LaRall Thompson	
	Brent Baugh	
	Bruce Christensen	
	Stan Stokes	
	Dave Forsgren	
	Brian Shaffer	
	Richard Day	
	Charles Holmgren	
	Brent Rose	

General Manager Jorgensen asked the Board whether they want to make any adjustments to the retrofit contract or the property lease for Chanshare. The Board discussed lowering the interest rate for the unpaid balance on the sublease contract from 12% to 6%. The contract requires Chanshare to pay \$15,000 pre year rent for the onion shed. The District did not want to lease the shed to anyone other than Chanshare but they have not been able to use the shed for the purpose of storing onions. Board Member Forsgren stated if they have paid \$15,000 since 2001, we have our money out of it and suggested we change the onion shed rent to \$6,000. There was a discussion of whether others may want to lease the onion shed. General Manager Jorgensen explained Chanshare also pays the property taxes, electrical power costs and maintenance on the well.

Board Member Richard Day moved to make three changes to the Chanshare contracts. The interest rate will be cut to 6% for the unpaid balance of rent, the payments for the retrofit will be extended in

time to end at the same time as the property lease and the rent for the onion shed will be cut to \$6,000 per year. Vice Chairman Ross Rudd seconded the motion. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Baugh, Rose, Forsgren, Day, Stokes, Shaffer, Holmgren and Christensen voted in favor of the motion.

Public Comment

There were no public comments.

Adjourn

Vice Chairman Ross Rudd moved to adjourn the meeting. Financial Chairman LaRall Thompson seconded the motion. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Stokes, Shaffer, Rose, Baugh, Forsgren, Day, Holmgren and Christensen voted in favor of the motion.

The meeting adjourned at 9:27 p.m.