

**Bear River Water Conservancy District
Board Meeting
Wednesday, April 22, 2015 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 David Forsgren, Financial Chairman Charles Holmgren, Brent Baugh, Tyler Vincent, Roger Fridal, Neil Capener, Richard Day, Russ Howe and Jeff Scott

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
Blair Summers & Linda Summers – West Hills Farms
Buster Marble & Brett Marble – Chanshare Select
Scott Sandall – Utah House of Representatives

Excused: Jay Carter

Invocation: Board Member Scott

Pledge of Allegiance

Adoption of the Agenda – Chairman Clinton 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 Baugh. Chairman Burt, Vice Chairman Forsgren, Financial Chairman Holmgren and Board Members Baugh, Fridal, Capener, Day, Howe and Scott voted in favor of the motion.

Approval of the Minutes for the Annual Board Meeting held March 25, 2015.

The minutes of the Annual Board Meeting held March 25, 2015 were included with the packet that was mailed to the Board Members.

A motion was made by Board Member Holmgren to approve the minutes for the meeting held March 25, 2015, with corrections. The motion was seconded by Board Member Capener. Chairman Burt, Vice Chairman Forsgren, Financial Chairman Holmgren and Board Members Baugh, Vincent, Capener, Day, Howe and Scott voted in favor of the motion.

Blair Summers – Property Lease Proposal

The Summers live and farm in the Bothwell pocket and feel it is the responsibility of the tenant to protect the water and the soil. The taxpayers and the people who take culinary water from the system need to be protected also as they are the ones who pay for the bonds. As a farmer and as a taxpayer on the bond I have some concerns about the Bothwell pocket. It is an area where we are not completely sure where the water is recharged from and how much water there is and we don't know what affect this drought is going to have on our aquifer. The run-off is one of my concerns because every drop of water that runs off any of the farms has to be replaced by water out of the aquifer. This affects the landowner and it affects the District and those that depend on the water for their homes. The way to solve the problems with run-off is through farming practices and through crop rotations and also how we treat the soil with loosening the ground so the water can penetrate. Every drop of water that goes into the ground from the spring run-off is less water we have to pump from the aquifer. In our farming practice we use compost and that brings in a lot of nutrients and that is one way we protect the soil. We also use an agronomist and send soil samples for testing so that we can see what fertilizers we need to use and that helps us to not over fertilize which reduces nitrates, etc., that can work its way back into the aquifer. We take grid samples and that tells us everything that is in the soil and what we need to add. It also tells us what diseases the soil might have and how it will affect the crops. I would like to extend an invitation for anyone to come to the farm and I can show what we have done for that farm and the soil conditions. You can tell the health of the soil by the smell, it will have a sweet fresh smell. The soil needs to be taken care of for the next generation.

Board Member Vincent arrived at this time.

Mr. Summers suggested that there be a special meeting and those who are interested in making a bid on the farm bring a sealed bid and make a presentation. He expressed his appreciation for the opportunity to be able to speak to the board.

Project Update – Bill Bigelow, Bob Phippen and Rob Thayne

South Willard Project – Rob Thayne

Rob Thayne presented a slide show of the progress on the South Willard well project. The well is being refurbished and deepened. In the process of putting in the casing it has gotten stuck on a rock and would not go down any further. The formation we have been drilling through is a cement-like formation with some cobbles and gravel so we decided to continue to drill open-hole and have drilled about 150 feet of open hole at this point. We will decide whether or not to put casing down later. We started drilling at 492 feet and the depth of the well is now at 640 feet. The static water level is at 330 feet. Some days they drill 7 feet and other days they only get 2 feet so they are averaging 4 feet a day which is double what we had estimated; our goal is to reach bedrock which we think is 700 feet.

He showed pictures of the South Willard booster pump that was installed at the South Willard Water Station to transfer water from South Willard Water Company to our tank for fire protection as well as being able to serve the Hot Springs Mobile Home Park.

14400 North Canal Crossing – Bob Phippen

Bob Phippen presented a slide show of the 14400 N Canal Crossing. The reason for the removal of the bridge was because it was found deficient so they had to remove the bridge, widen it and put in a new bridge.

Collinston – Bob Phippen

Collinston System is absolutely flawless in its operation! We are operating two 500,000 gallon tanks, two pump stations and one blending station in the distance of 7 miles. With the Scada system, the over the air wireless communication we have at the office, we can access and control everything and make adjustments as needed. Ukon Water Company is very pleased with the results, their arsenic levels are down to .05 and that is with a blending ratio of 1.3 gallons of District water to 1 gallon of Ukon water. Ukon is petitioning the State to raise that arsenic level a couple of points so they won't have to take quite as much water. The residential usage has begun in addition to what Ukon is taking and all but a few of our customers have been hooked up.

Trustees Reports

Dave Forsgren – No Report

Charles Holmgren – The Canal Company tried to get water from PacifiCorp before May 1st but we have not been successful. We have winter water rights of 150 cfs that we will try to put in to

test the area that has been excavated on the West Canal just below Cutler. We will run water below Cutler and then switch it over to the Hammond Canal and run that most of next week. The capacity on the Hammond Canal is between 150-160 cfs so we thought we will do some good with 150 on the Hammond canal. We will turn the water on at 3am on May 1st and start sending water down the west canals and then go to maximum draw as rapidly as we can. There is going to be extreme demand on the system this year so we may have to cut people back to a level that is not their full stream. We got an allocation of 90-91%. This will lower our allocation 11,000 AF from a full allocation. In normal times we would be alright but they will start the pumps next week at Bear Lake so we will be on storage water immediately. We will be pulling storage 20 days earlier this year than we did in 2013 which was the last hot summer we had so that will impact the amount of allocated water we have to get us through the end of irrigation season.

With the Canal Safety bill that was mandated by the legislature, there was some money allotted to the Division of Water Rights for Canal Safety studies and the Bear River Canal Company was the first to take advantage of those grant funds. We will be going to all the different cities and towns in the County to present information regarding the canal going through the municipalities and in the County. The legislation also put an obligation on local government, municipalities and cities and counties to stay away from the canals for the safety of the homeowners, etc., when doing their building plats, etc. We are occasionally approached at Canal Board Meeting by shareholders that are concerned about how some of the building permit process is going on in the County

We have instructed Darin McFarland to have engineering done on the most critical hazards in the canal system. We need to protect the canal company assets and protect the people as well. Hammond East canal is very vulnerable to a cloud burst on that mountain and it can run over. Most of the Hammond canal should be piped or be made a pressurized system but both of those options are very expensive.

We are organizing the Utah Association of Irrigation and Canal Companies to have a voice at legislative committee meetings and at the general legislature. We need to get people involved and we are trying to convince them it is a very valuable resource that we need to protect.

We would like to thank the District for sponsoring the dinner for the Bear River Commission on April 20th. We had representatives from Utah, Wyoming and Idaho at the dinner and the meetings. Voneene gave an excellent report on what the Bear River Water Conservancy District does for the residents of this County. The meetings were held at the Bear River Bird Refuge Visitor Center.

Brent Baugh – No Report

Tyler Vincent – No Report

Roger Fridal – At the last Board Meeting we passed a CDA on the Tremonton Downtown project. The County Commission approved the CDA two days later. I would like to thank the

various organizations in the county for their support of the Downtown Project. It will be very advantageous to our City.

We have been thinking a lot about water conservation and the Weber Basin Water Conservancy District has made an exceptionally good water conservation handout that Tremonton will be mailing out to residents to try to get them to conserve water. Also, we have some water that comes out of our sewer treatment plant that is about ¼ mile away from the canals and I would like to see that good irrigation water used by the Canal Company rather than have it go straight to the Bird Refuge. If we have a beneficial use for that water in our area I can see no reason not to use it rather than send it to the Bird Refuge.

The water levels in Tremonton's wells are down a little bit. Not too dramatic yet but we still need to become smarter on water use in our area.

Neil Capener – I was talking to Stan Summers about changing the water lines and widening the bridges and he is set in his ways on helping us move the water lines. I talked with Bill Gilson and he said all the bridge expansions in the future that he knows about are south of Riverside/North Garland.

Richard Day – Pineview is still working on the secondary water. The residents will have to have their commitments, paperwork and a portion of their money turned in soon and Terrell Grimley is just waiting to see how many they get. A secondary water system would make a big difference especially on the culinary side and if the secondary water comes in and development starts again then we will have some good opportunities to have it all tie in together with the District.

Russ Howe – Asked if Bear Lake was two feet below where it was last year. Charles said it is really close to where it was last year and that PacifiCorp had made a mistake last year on the projected allocation and so the Canal Company got a full allocation and shouldn't have. That is why they are taking a hit this year and didn't last year.

Russ had attended the Bear River Commission meetings and learned a lot about Bear Lake and the Bear Lake Compact and how they run the water through the Bear River and about the drainage down to Collinston then to us. It is amazing how there are that many people who are passionate about taking care of Bear Lake and the irrigation water. I really appreciate Charles for being a Chair on the committee.

Jeff Scott – We still have a couple of companies looking to come to the County and some of them have significant water needs. We keep getting requests for information from the Governor's office of Economic Development.

Clint Burt – General Manager Jorgensen needs a pat on the back for how she represented our District the other night at the Bear River Commission dinner. There were quite a few influential people there and she did an extremely good job.

General Manager's Report – Voneene Jorgensen

The pump that was installed to take water from South Willard Water Company worked very well to fill our tank. We appreciate South Willard Water Company for working with us.

We are really excited and impressed with the progress we have made with the South Willard well. It has been fun to watch them “creatively” drill, yet they have been very cautious so we don't compromise the integrity of the well. Bill Bigelow had projected it would take 400 hours to complete the deepening of the well and so far it is taking a lot less than that so our budget is looking good.

We have been working with some of the local fire departments in mapping the locations of our hydrants and getting information to them on our water systems for their ISO audits. Collinston is so new we hadn't yet developed a fire protection plan so we developed a plan similar to our Harper Ward and Beaver Dam system plans. We have put in a lot of fire hydrants in the past several years. We know the Fire Marshal appreciates having those hydrants and hopefully a lot of the homeowners will receive some benefit through deductions in their fire insurance.

We have installed a new sprinkling system. The old system was put in when the building was originally built and it had a lot of leaks. We will hopefully save some water with this new sprinkler system.

The District hosted the Bear River Commission meeting and dinner on Monday night and made a presentation about our District and what our goals are. It was fun to let them know what we have accomplished. Charles Holmgren does a great job on that board. It is nice to have good relations with representatives in Idaho and Wyoming because we all share the Bear River. Dave and Claudia Cottle are able to wield all the negative comments through the Bear Lake Watch and Bear Lake Lovers so we can all work together. There was a lot of good information in the Bear River Commission meetings and I feel it was good for them to come to Box Elder County.

Weather Modification ended March 31st and the last report is in your packet. There were 11 storms seeded through the whole program starting December 1. There was a total of 1,342 generator hours. At the end of the year the precipitation was at 70% of normal so the water outlook is pretty grim. Sue Lowry reported that Wyoming spent \$13 million on a study they did on cloud seeding and the Wyoming Legislature has awarded \$1.4 million to initiate an operational cloud seeding program in the Big Horn, Laramie, Medicine Bow and Sierra Madre Mountains. And then separately, the Wyoming Legislature awarded another \$650,000 for cloud seeding in the Wind River Mountains next winter if other states in the Colorado River Basin will chip in and help with the program. The Bear River Water Conservancy District has been participating in seeding the clouds for about 18 years and the increase in precipitation has been anywhere between 13%-18%. We believe it is a good benefit for the amount of water that we receive from cloud seeding.

We have been working with Bill Bigelow in gathering information and planning the scope of work and the tasks that need to be included in our county wide water master plan. We are starting that effort and looking at the process. Cache County has a great master plan and we

want to pattern our master plan after theirs. During the next three months we will be looking for funding to get it completed.

Board Member Fridal had to leave at this time.

Ukon Water Company Contract –

In 2005 the District entered into an agreement with Ukon Water Company on a lease purchase agreement with an option to purchase at such time as the bond was paid off in 2026. Ukon Water Company has been paying \$10,000 a year for that lease. The original document forbade them to put in hydrants on that line because it was thought there wasn't enough pressure. The line was later pressure tested and found there was enough pressure and hydrants could be installed so we need to amend the agreement. The amended Lease Purchase Agreement will be effective March 1, 2015 and will expire July 1, 2026. At the end of that time they will pay us \$100 and we will convey that portion of the line to them. This contract is subject to the District being able to wheel our water to provide water to Riverside/North Garland Water Company in perpetuity without any limitations. Ukon Water Company will pay the District \$12,286.22 per year and that includes the same interest rate that we have to pay with the bond payment. Ukon is taking the water line as-is and they will do all repairs to maintain the line. There are no wheeling charges and no capacity limit on the 8" line. This was the District's infrastructure and we have paid our portion of the cost for 15 years and we need to be able to use the line and do our business as needed. The amended agreement needs to be signed by April 30, 2015.

A motion was made by Board Member Holmgren to adopt the amended Lease Purchase Agreement with Ukon Water Company. The motion was seconded by Board Member Baugh. Chairman Burt, Vice Chairman Forsgren, Financial Chairman Holmgren and Board Members Baugh, Vincent, Capener, Day, Howe and Scott voted in favor of the motion.

General Manager Jorgensen asked Blair Summers to clarify his interest in the District's property in Bothwell. Mr. Summers stated he would like to be able to submit a bid when the time comes and they would like to be able to lease all of the District's property in the Bothwell pocket. General Manager Jorgensen said the contract expires in February 2017 but the District has had a request to have the Board consider renegotiating the lease earlier than that. This is the reason why he had been invited to visit with the Board and the Board would like to know what his plans are for the land. Mr. Summers said that their crop rotation would be wheat, corn, hay and a rotation of seed potatoes every 3rd year. Since lands in Idaho have become contaminated they have been working with an individual from Idaho with the seed potatoes and it has been a good thing. The rotation would be hay for five years then wheat and corn would rotate back and forth. He isn't sure how long this gentleman is interested in seed potatoes but he has a real interest in this area. The gentleman farms over 50,000 acres and they had raised nearly 200 acres of seed potatoes for him this year. The project has worked out well and he is pleased with the potatoes and wants to continue if he can. It would be something that would work well with their

rotation. If the District decides to renegotiate he would appreciate knowing when that would happen.

General Manager Jorgensen asked Mr. Summers to work on his proposal because we need to begin negotiations. The District will entertain proposals from parties who have expressed an interest but the District is not interested in advertising or opening it up to bid. Blair Summers is the only one besides Chanshare who has expressed an interest in leasing the farm. The District will gladly consider both proposals. We understand that everyone needs to make plans for the future and the District has to do what is in the best interest of the District.

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

The financial statements for March 2015 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 Scott to approve the financial statements as presented. The motion was seconded by Board Member Howe. Chairman Burt, Vice Chairman Forsgren, Financial Chairman Holmgren and Board Members Baugh, Vincent, Capener, Day, Howe and Scott voted in favor of the motion.

Public Comment

Linda Summers wanted to say how impressed she is with the District and the Board at how knowledgeable they are and how hard they work.

Representative Sandall mentioned that at the end of the legislative session this year after transportation got funded water took center stage. Water is coming on board on the Hill pretty quickly with funding and getting storage sites in place. In 20 years the Wasatch Front knows they have to have water in the pipe. So now that transportation is funded they are going to work on getting water funded and he can see it happening within the next 2-3 years.

Closed Meeting – To discuss the sale and/or purchase of real property.

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

Board Member Scott made a motion to go into a closed session to discuss the sale, purchase or lease of real property. The motion was seconded by Board Member Vincent. A roll call vote was taken:

Clint Burt – Aye	Dave Forsgren – Aye
Charles Holmgren – Aye	Brent Baugh – Aye

Tyler Vincent – Aye
Richard Day – Aye
Jeff Scott – Aye

Neil Capener – Aye
Russell Howe – Aye

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

Clint Burt – Aye	Dave Forsgren – Aye
Charles Holmgren – Aye	Brent Baugh – Aye
Tyler Vincent – Aye	Neil Capener – Aye
Richard Day – Aye	Russell Howe – Aye
Jeff Scott – Aye	

Chairman Burt asked for a motion to have an appraisal on the Cache Valley Property.

Board Member Day to have an appraisal on the Cache Valley Property. The motion was seconded by Board Member Vincent. Chairman Burt, Vice Chairman Forsgren, Financial Chairman Holmgren and Board Members Baugh, Vincent, Capener, Day, Howe and Scott voted in favor of the motion.

Board Member Scott made a motion to authorize the General Manager to consult with Mark Anderson on the potential of increasing the property tax levy. The motion was seconded by Vice Chairman Forsgren. Chairman Burt, Vice Chairman Forsgren, Financial Chairman Holmgren and Board Members Baugh, Vincent, Capener, Day, Howe and Scott voted in favor of the motion.

Adjourn

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

The meeting adjourned at 9:45 p.m.