

**Bear River Water Conservancy District
Board Meeting
Wednesday, June 22, 2011, 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, Richard Day, Stan Stokes, Charles Holmgren, Brent Baugh, Brent Rose, Commissioner LuAnn Adams and Dave Forsgren

Staff: General Manager Voneene Jorgensen, Systems Operator Bob Phippen and Administrative Assistant Judy Hartvigsen

Visitors: Bill Bigelow (Hansen Allen & Luce), Robert Thayne (Deweyville)

Excused: Bruce Christensen

Invocation: none

Adoption of the Agenda

There were no changes to the agenda.

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

Adoption of the Minutes for the Board Meeting held May 25, 2011

A copy of the draft minutes of the regular Board Meeting held May 25, 2011 was included with the packet mailed to the Board Members. Board Member Charles Holmgren requested one correction to the minutes.

Vice Chairman Ross Rudd moved to approve the minutes of the regular Board Meeting held May 25, 2011 with the correction. Financial Chairman LaRall Thompson seconded the motion. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Day, Rose, Forsgren, Stokes, Holmgren, Baugh and Adams voted in favor of the motion.

Board Member Reports – Trustees

LuAnn Adams – reported she followed up with West Corinne Water Company and they were supposed to set up a meeting but it didn't happen. She still wants to get together with them to talk about their concerns regarding clarification of fire suppression requirements for new building in the County. She went to a meeting today along with Board Member Brent Rose of the Western Box Elder Conservation District. She believes the District can take an active role in the development of the coordinated resource development plan the conservation district is proposing. They talked about irrigation, water storage and underground water. The plan will include all the western area: Park Valley, Grouse Creek, Yost, Lynn etc. She asked about funding to help with the plan. General Manager Jorgensen stated a letter was sent to Ken Spackman in support of the conservation district but at the time he came to the board, he was not specific about the type of help he was asking for. Commissioner Adams stated they need to do a plan and hire a consultant. She wondered if the BRWCD could help with the water portion through some state funding. She believes the BRWCD can take an active role and we should because they need our help. They have a coordinator but they will need a facilitator and someone to write the plan. With only \$240,000 they may only accomplish the first step. She felt if we could get the plan in place it will protect against the environmentalists.

Brent Rose – reported the conservation district will have a 15 member board representing different agencies. The biggest question is how much expertise can they afford. He asked for the BRWCD to participate as we have something to do with all the water in the county so the District should be a player. If we don't do this, it will limit the ability to get government funding of any kind for the area. But it is such a large area and so diverse that there will be people opposed. In Park Valley everything is wet and we have water running to the desert but we will be out of water in a month. In the 50s they did a study and decided it was not feasible to construct a reservoir. But he believes every year it would fill.

General Manager Jorgensen asked how the proposed conservation plan would be organized. She feels there should be some prioritization. Commissioner Adams stated the areas to be included in the plan are: properly functioning range land, wildlife, water resources, noxious weeds and socio-economics. Board Member Rose explained they should push in all areas to get more money because for example, the sage grouse issue could be water, range land development and/or wildlife. Commissioner Adams stated they talked about getting some funds through the Ruby Pipeline lawsuit as some of the money was to go to sage grouse. Public lands council is also supposed to be getting funding. There are members of the board representing these different state agencies. Commissioner Adams stated a kick off meeting will be held Tuesday, September 6th, probably at the Park Valley School and it would not hurt to have representation from the BRWCD. General Manager Jorgensen asked to be added to the mailing list for the conservation district.

Vice Chairman Ross Rudd moved to endorse Brent Rose as our official representative and give the management ability to work with our resources to support it. The motion was seconded by Commissioner LuAnn Adams. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson

and Board Members Day, Rose, Forsgren, Stokes, Holmgren, Baugh and Adams voted in favor of the motion.

Charles Holmgren – reported on May 29th the Salt Lake Tribune sent a reporter to Park Valley and he did a story on the kids at the school out there. Board Member Holmgren provided a copy for the Board to look at. The Canal Company is overwhelmed with a lot of water. Last Friday he received an email from the hydrologist for Pacificorp, Conally Baldwin, which stated on that day there was about 7000 cfs going into Cutler Dam. The water was 2 ½ feet higher at the Benson Marina than at the dam. He also mentions as of last Friday, we broke the all-time single year lake level increase at Bear Lake. The lake level hit 5917.72 feet which puts this year's rise at 7 ¾ feet. The level will likely peak at the end of July. They predict the lake will reach 5920 feet. They may start flood control releases August 1st to prevent trouble next year. He stated it is very interesting to ride up Logan Canyon and see what is coming down the river. The Logan Mayor declared the river a disaster area to keep people from floating in kayaks. Chairman Burt reported the paper said Pineview Reservoir is at 100% capacity so all that comes down now will go to spill.

Richard Day – No report

Dave Forsgren – reported Honeyville's springs are putting out about 950 gpm so we are in good shape.

Stan Stokes – No report

Brent Baugh – No report

LaRall Thompson – No report

Ross Rudd – reported he has had people come to him with concerns about Fish & Game taking control of some of our water in the Bear and Malad Rivers. The Thompsons were going to bring him a brochure about it. They wanted him to ask the Board if anyone knew anything about it. Board Member Holmgren stated the U.S. Fish & Wildlife Service is trying to purchase conservation easements from farmers to curtail development along the Bear River. They had several meetings about a month ago. They want to have farmland put into conservation easements to preserve habitat for the birds flying through. Developers would not be able to use the land for subdivisions or industry. It might limit economic development but will preserve agriculture. They would not be purchasing the land just the development rights so it will be a perpetual farm. There was a discussion of others who have done this for example, the Selmans and others known by Vice Chairman Rudd in Cache Valley. The money comes from off shore drilling royalties. They won't be looking at small properties of a few lots but at large tracts of farmland.

General Manager's Report – Voneene Jorgensen

General Manager Jorgensen reported the District received \$20,000 from Chanshare. She explained the status of the amounts they still owe and stated they have made great strides in getting payments up to date.

She gave a report on the South Willard Project. She met with Richard Day about concluding the project. They discussed moving the church building from South Willard Water Company service to our new system. The District still needs to do the impact fee study and establish the water rates.

Project Status Reports Collinston Project

General Manager Jorgensen explained she met with Ukon Water Company and discussed the amount of water they would be taking out of the Collinston project and the automatic operation of the booster station. Mark Larson was willing to talk and wanted to know if the district was willing to partner with them to get a telemetry system for monitoring their reservoir. We are waiting to hear back from them after he takes the proposal to his board.

Beaver Dam Project

General Manager Jorgensen reported all of the statements of group contribution have been completed for dividing the sole supply for each of the supplemental water rights and we now have the correct title ownership. These have been submitted to the Utah Division of Water Rights. Our Attorney, Dallin Jensen will now be preparing the change application and the water deeds.

She then referred to Bill Bigelow and he informed the board of a list of critical tasks that need to be completed for the Beaver Dam project before we can close the loan with the Drinking Water Board. The list includes the NEPA document which is 90% done now and must go through the process of public hearings and administrative processing with the Corps of Engineers. Another task concerns the Water Rights with submitting the change application. Most of the water rights holders were very good to work with. We are asking Will Atkin to process the change order as quickly as possible. There are two private land owners that are willing to grant easements for the system. We are close to being ready with documents for their signatures. The LDS Church is also being asked to donate an easement for the spring on the Early Park property. The plans and specs are about 75% completed. The water rates and impact fees are also being worked on. Once these items are completed, the project will be ready to go to bid and the loan can be closed. It will depend on when we can actually go to bid and award the contract that will determine how much of the project can be completed in 2011.

Park Valley School Water System

General Manager Jorgensen reported a study was completed on the Park Valley School water system. She met with Brent Rose just prior to this board meeting regarding the study. There were some corrections and more information given. Board Member Rose will now meet with the School District and School representatives so that they can prioritize the options and get back with us.

She welcomed Mayor Thayne from Deweyville to the meeting and stated the contract with Deweyville for water to serve the Collinston project is being written by our attorney and when we receive it and get it signed, we can move forward with the Collinston project.

General Manager Jorgensen then reported she attended the meeting of the Legislative Water Task Force. There was a presentation from people who want to amend the Internal Revenue Code. Senator Hatch asked the task force to look at this bill to determine if he should support it or not. It concerns water companies that are non-profit and are tax exempt. The value of donated water rights or other assets could cause them to have income higher than the 85/15 rule as permitted by law. The idea is to change the code so these companies can be in compliance. She had a copy of the information available for the Board Members and asked the board for their input on this issue. The task force has members on both sides of the issue and each side has been asked to write a report for the task force to review. Board Member Holmgren explained an example of revenue received by water companies that could be an issue and change the non-profit status.

General Manager Jorgensen reported on a meeting with Gary Huber regarding the District's general liability insurance policy renewal. The premium will be increased with the addition of the South Willard assets and facilities. She filled out applications for other insurance companies that could give us a better rate as recommended by Mr. Huber.

The County Commission held a public hearing on the land use ordinance amendment proposed by the District. She expressed appreciation to Board Member Day for speaking in favor of the amendment at the hearing. She was unable to attend because she was in the meeting with Ukon Water Company at the time. She stated she would appreciate the support by the Commissioners for the amendment.

General Manager Jorgensen reported the District was audited yesterday by the Utah Department of Workforce Services regarding payroll and unemployment insurance payments. The auditor checked the 941 payments, check registers, paycheck stubs and payroll information for 2009. The audit could have covered the years 2008 through 2010 but there were no problems with 2009 so the auditor did not look at the other years. She reported the District's reports balanced to the penny.

Cafeteria Plan

The General Manager explained the District employees have an opportunity to use the PEHP cafeteria plan. The District had a cafeteria plan previously but we have not used a cafeteria plan for the last few years. The District health insurance provider, PEHP is the administrator of the plan that is offered to members who have the insurance. She explained the aspects of the plan stating it would be pre-tax funds withheld from the employee's paycheck that would be administered by PEHP for medical expenses of the participant. General Manager Jorgensen asked the Board for authorization for the employees to participate in the cafeteria plan with PEHP for the tax benefit to the District and the employees.

Commissioner LuAnn Adams moved to authorize the employee's participation in the cafeteria plan. The motion was seconded by Vice Chairman Ross Rudd, Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Day, Rose, Forsgren, Stokes, Holmgren, Baugh and Adams voted in favor of the motion.

Certified tax rate

General Manager Jorgensen stated the proposed tax rate is .000203. The maximum level is .0002. The amount of revenue for this tax rate is \$639,516.00. She assumed the board would not want to go through Truth in Taxation in order to increase the certified tax rate. She asked for a motion to approve the certified tax rate.

Vice Chairman Ross Rudd moved to approve the certified tax rate at .0002. The motion was seconded by Financial Chairman LaRall Thompson. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Day, Rose, Forsgren, Stokes, Holmgren, Baugh and Adams voted in favor of the motion.

Chairman Burt reported on the meeting he attended today of the Taxing Entity Committee. He stated the two main RDAs in the Tremonton area are Malt-o-Meal and West Liberty Foods. The Malt-o-Meal RDA is now completed and West Liberty Foods has two years left with an extension for an addition.

Financial Business – LaRall Thompson Approval of the Financial Statement

The financial statements were prepared and included with the packet mailed to the Board Members. Financial Chairman Thompson asked if the board had reviewed the statements and called for a motion of approval.

Vice Chairman Ross Rudd made a motion to approve the financial statements as presented. The motion was seconded by Commissioner LuAnn Adams. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Day, Forsgren, Rose, Stokes, Holmgren, Baugh and Adams voted in favor of the motion.

Public Comment

Mayor Robert Thayne of Deweyville stated his appreciation to be able to attend the board meeting.

Closed Meeting

Chairman Clint Burt stated the reason for holding the closed meeting is to hold a strategy session for discussion of purchase, exchange or lease of real property. He stated the closed meeting is held in the Bear River Water Conservancy District Conference Room at 102 West Forest Street in Brigham City, Utah.

Board Member Stan Stokes moved to close the meeting for the reason stated. The motion was seconded by Vice Chairman Ross Rudd. A roll call vote was taken.

Ross Rudd – Aye	LaRall Thompson – Aye
Brent Baugh – Aye	Stan Stokes – Aye
Dave Forsgren – Aye	Richard Day – Aye
Charles Holmgren – Aye	Brent Rose – Aye
LuAnn Adams – Aye	Clint Burt - Aye

After the discussion in the closed meeting the following motion was proposed.
Board Member Dave Forsgren moved to authorize the General Manager to meet with South Willard Water Company representatives and enter into discussions for the purchase of the existing water line that is in the District’s service area beginning at about 8000 South on Highway 89. Vice Chairman Ross Rudd seconded the motion. Board Member Richard Day declared a potential conflict of interest and abstained from the vote. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Forsgren, Rose, Stokes, Holmgren, Baugh and Adams voted in favor of the motion.

Adjourn

Board Member Dave Forsgren moved to adjourn the meeting. The motion was seconded by Vice Chairman LaRall Thompson. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Day, Rose, Forsgren, Stokes, Holmgren, Baugh and Adams voted in favor of the motion.

The meeting adjourned at 8:40 p.m.