

**Bear River Water Conservancy District
Board Meeting
Wednesday, July 28, 2010 6:00 p.m.
5840 North 3600 West Brigham City, Utah 84302**

Minutes

Present: Trustees: Chairman Clinton Burt, Vice Chairman Ross Rudd, Financial Chairman LaRall Thompson, Dave Forsgren, Charles Holmgren, Bruce Christensen, Brent Rose, Brent Baugh, 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)

Invocation: Vice Chairman Ross Rudd

Adoption of the Agenda

There were no changes to the agenda.

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

Adoption of the Minutes for the meeting held June 23, 2010

A copy of the draft minutes of the meeting held June 23, 2010 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 meeting held June 23, 2010 as recorded. Board Member Dave Forsgren seconded the motion. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Stokes, Day, Shaffer, Holmgren, Baugh, Rose, Forsgren and Christensen voted in favor of the motion.

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

Bill Bigelow of Hansen Allen & Luce reported he is requesting the operating permit for the South Willard System. The project should be in operation by our next board meeting. The reservoir has not been backfilled yet but it should be done this week. The costs have been less than originally estimated. General Manager Jorgensen explained we need to submit the pay requests and final out the project. She asked the Board to consider the design and drilling of the second well or extension of the water line to the County line using the remaining funds. The system will provide wholesale and retail culinary water for the District service area in South Willard. Commissioner Brian Shaffer inquired about providing industrial water and mentioned there is a company looking to locate in Box Elder County that will require extensive water service. He wondered about the District providing industrial water. Bill Bigelow explained there is extensive water availability in Bothwell and South Willard areas. General Manager Jorgensen stated our mission statement calls for the service of industrial water and we have a policy for water service for retail as well as wholesale. Bill Bigelow explained the South Willard system has fire flow capacity and industrial water will be available.

Board Member Stan Stokes asked about the renter on the District's Bothwell property. General Manager Jorgensen stated she met with the renter today. He is assuring us he can become current by the end of August. He has been selling a lot of sod. He has worked hard and feels badly that he is behind in payments. He is hopeful for the future and intends to keep the lease and continue his business. General Manager Jorgensen stated there have been inquiries from others who want to lease the property.

Board Member Reports – Trustees

Brent Baugh – No report

LaRall Thompson – No report

Stan Stokes – No report

Ross Rudd – reported he has had a few visitors with concerns and he refers them to the General Manager.

Charles Holmgren – reported the Canal Company is dealing with a new product to control moss that keeps the canals clean. He attended a meeting concerning the Cutler Area water quality. The Pacificorp representative there is very concerned about the potential for Box Elder County to allow homes to be built in the lower part of the Bear River area east of Riverside and west of Collinston. There are concerns about flooding of the river.

Richard Day – reported he is still working on the secondary water for South Willard. They had a meeting a week ago and had about 60 people show up. They will be going door to door on the west

side of the highway to start with from 7800 South to 8200 South. He believes if he can get the majority of those, they can then start the process.

Commissioner Shaffer asked about the status of the feasibility study. General Manager Jorgensen explained we are waiting to see if there is enough commitment from the residents in the South Willard area to move forward with the study. The District does not want to spend the money unless there is the support from the residents. She explained Terel Grimley of Pineview has provided a ball park figure with the costs from the Perry project. The people should be able to make a decision from that ball park figure. General Manager Jorgensen expressed concern that we could spend \$35,000 to do the study and then it could turn out to be the same ball park figure and no one would connect. Board Member Richard Day was concerned that the residents could decide to do nothing and then it would be too late when the development starts. Commissioner Shaffer stated he thought the District was going to do the study. General Manager Jorgensen explained the District will be highly subsidizing the culinary project in South Willard until the economy comes back. The commitment for secondary water is not just to the study but to the project itself. The \$300.00 initial fee will be credited for any fees associated with connecting to the system. Right now we are holding the checks and they will be returned if there is not enough participation. This is the way the projects have been done in the past by Pineview and it is their decision whether or not there is enough support to move forward. Pineview will own and operate the system. Board Member Day stated he believes the District still has the responsibility and it cannot be delegated off to Pineview. General Manager Jorgensen explained we have the authority to do secondary water and the District spent \$15,000 for a secondary water study for South Willard that recommended Pineview be the entity to put in the system and operate it. Pineview is asking for enough commitment from the people to make the project feasible. The District is willing to support the secondary water system but should we fund a study when we don't have enough people who will hook on? General Manager Jorgensen explained the Board voted to pay \$35,000 for the study with the stipulation that the District would be reimbursed after the system is in operation. She felt we should not fund another study without more commitment from South Willard residents.

Dave Forsgren – No report

Brent Rose - reported concerns about the Ruby Pipeline paying Western Watershed, an environmental group, \$20 million to put the pipeline through and the fear that they will use the funds to buy out grazing permits.

Brian Shaffer – explained Ruby Pipeline was approached by a conservation and environmental group, Western Watershed headed by John Marvel, who threatened litigation to stop the pipeline project. Ruby Pipeline gave in to it and paid \$20 million. Western Watershed is proposing to use the money to buy up grazing permits and retire them. A commission meeting was held on Tuesday. There were representatives from the Utah Dept. of Ag., Commissioners from Wyoming, Nevada and Rich County at the meeting. As a result of the meeting, a coalition is being formed with nine counties along the pipeline corridor. The coalition will meet August 12th at the Capital in Salt Lake. Next Tuesday, the commission will pass a resolution that demands the commission see the exact agreement with the Western Watershed. The County Commission is also demanding a seat on the

committee that will oversee the administration of the money. There were articles in the Ogden Standard and the Leader concerning this. He encouraged the board members to read them.

General Manager's Report – Voneene Jorgensen

Contract with the Army Corps of Engineers

General Manager Jorgensen explained the Corps of Engineers has only one boilerplate contract they use for all 595 projects. The contract will basically acknowledge the District as the owner and operator of the Beaver Dam project. We want to help them but do not want to take over their system. She and Bill Bigelow met with Ken Wilde of the Division of Drinking Water and talked with Scott Stoddard of the Army Corps of Engineers. The District could enter into an interlocal agreement with Beaver Dam making them responsible for maintenance and operations. A letter written by our attorney Craig Terry was included in the packet mailed to the board members for their review. The Army Corps grant has been approved with District sponsorship but Mr. Terry's letter states the project is not fully funded. Commissioner Shaffer commented the county entered into a similar agreement on the emergency watershed project with two service districts that have the ability to levy a tax on area residents to cover expenses. He was concerned about dealing with so much money for 60 people with no real organization or ability to assure the project can be paid for. Commissioner Shaffer suggested the District not become the sponsor but work with Beaver Dam to get water from the District rather than put so much money into a system that is not a quality system. He felt the people in Beaver Dam would be farther ahead to have a District operated system. General Manager Jorgensen explained they are an independent water company. They applied and have been approved for grants to improve their system. The District tried to work with them previously and requested they join in and participate with the District in the Collinston project but they denied our request. They have had Hansen Allen & Luce as their engineers for a decade. Bill Bigelow explained his firm has worked for six years to help plan this project. They have plenty of water sources but they were never developed in accordance with state standards. They are trying to obtain state compliance for their system. Bill Bigelow stated the District approached Beaver Dam when the District's regional plan was proposed and they expressed the desire to remain independent.

Certified Tax Rate

General Manager Jorgensen explained the proposed tax rate for this year is .000193. The budgeted revenue will be \$549,379.00. There were some legislation changes. In the future, there will be a redemption average that will be subtracted from the previous year's budgeted revenue. That redemption came to \$15,503.00 this year. We have the option for this year only, to keep the redemption which we opted to do. The proposed tax rate was .000188. In taking the redemption, our certified tax rate will be .000193. Taking the higher amount of budgeted revenue will be an advantage because the tax rate for the next year is calculated from the budgeted revenue of the previous year. General Manager Jorgensen asked for a motion to approve the certified tax rate at .000193 knowing the District will receive the redemption of \$15,503.00 and it will be above the proposed tax rate of .000188 but it will not be required to go through Truth in Taxation.

A motion to approve the certified tax rate of .000193 was made by Vice Chairman Ross Rudd. The motion was seconded by Financial Chairman LaRall Thompson. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Stokes, Day, Shaffer, Holmgren, Baugh, Rose, Forsgren and Christensen voted in favor of the motion.

**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.

Board Member Bruce Christensen 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 Stokes, Day, Shaffer, Holmgren, Baugh, Rose, Forsgren and Christensen voted in favor of the motion.

Public Comment

There were no public comments.

Adjourn

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

The meeting adjourned at 7:03 p.m.