

**Bear River Water Conservancy District  
Special Board Meeting  
Wednesday, July 13, 2011, 6:00 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 and Commissioner LuAnn Adams

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

Visitors: Bill Bigelow (Hansen Allen & Luce)

Excused: Bruce Christensen, Dave Forsgren and Brent Rose

**Invocation:** Board Member Charles Holmgren

Chairman Burt gave a report on conditions at Bear Lake. The level on Monday was 5920.3 feet and is raising an inch to an inch and a quarter per day. There was still a lot of snow in the Uintahs so the river will continue to run high. Board Member Holmgren stated they started flood control releases less than a week ago and right now there is 3654 cfs of water going into the lake and 630 cfs going out through the pumps. Chairman Burt was told the capacity of the lake is 5923.6 feet.

**Adoption of the Agenda**

There were no changes to the agenda.

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

### **Update of the Beaver Dam Water System Project- Bill Bigelow**

Bill Bigelow gave a report on the Beaver Dam Water System Project progress. The environmental paperwork has been drafted and is now in a comment period. If there are no adverse public comments, it can be signed by the first week of August. The water rights have all been deeded over to Beaver Dam Water Company except one that is still in a probate process. The easements have been drawn up and are being checked by the title company to determine if an insurance policy can be issued. There are two private owners and the LDS Church that will need to sign easements. He will be very busy during the next six weeks getting the documents prepared so that the project can go out for bid. We want to have bids back by the last week in August and close the loan with the Division of Drinking Water by the second week of September.

General Manager Jorgensen stated the title work is being done on the easements and the maps have been finished. A board meeting needs to be authorized on July 27<sup>th</sup> for the public hearing on the issuing of bonds and to adopt the final bond resolution. A meeting must also be authorized for August 31<sup>st</sup> to approve the bid for the project to facilitate the closing of the loan in September. We usually don't have a meeting in August because of the fair. The Division of Drinking Water Board will meet the same day to approve the bids that will be opened on the preceding day. The contract will be awarded after we close the loan. There was a discussion of when to hold the annual barbeque. It was decided to hold the barbeque on Tuesday, August 16<sup>th</sup> at 6:00 p.m.

Commissioner LuAnn Adams moved to approve the discussed changes to the meeting schedule. The motion was seconded by Vice Chairman Ross Rudd. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Day, Stokes, Baugh, Holmgren and Adams voted in favor of the motion.

Bill Bigelow stated the other item to add to the calendar is the adoption of water rates for the Beaver Dam customers. The proposed water rates will be advertised and the customers will be invited to comment.

General Manager Jorgensen then explained she received a final statement from Hansen & Associates for the completion of the Harper Ward Fire Flow Project with Honeyville City, the LDS Church and the District. The total cost of the project was \$225,712.00. The Church portion was 53.5%, ours was 31.5% and Honeyville's was 15%. The District's share is \$71,099.30. We have paid \$52,312.00. We will send a payment for the remainder of \$18,787.30 to Honeyville City. We have also received a bill from the contractor for the last fire hydrant installed that will also be paid to close out the project.

As part of the committal of funds requirements for the Beaver Dam project, a letter was sent to the Beaver Dam water users. The letter described the project, bonding issues, the approximate water rate, impact to the system and it stated there will be no impact or connections fees charged to existing members of the Beaver Dam water company in exchange for the conveyance of water rights and easements essential for the operation and construction of the project. The other requirements included having a bond for \$16,000.00 and an adopted Water Conservation Plan. These have already been completed and will be sent in. Bill Bigelow will be submitting the bid documents to be approved.

General Manager Jorgensen reported she participated in a conference call held with Bill Prater, who is the state's attorney, Ken Wilde of the Division of Drinking Water and the engineers and attorneys that have to write the opinion letters. The requirements were reviewed and all aspects assigned to those responsible. She explained there were several points settled in favor of the District. The Division of Drinking Water wanted us to use all of the ACE funds first before receiving any state funds but she explained the ACE was only reimbursing 75% of the costs. She requested the full amount of the loan be put into the escrow account and be available at the loan closing. Bill Prater was agreeable to this. The planning loan of \$20,000 that was received by Beaver Dam was to be paid back but Ken Wilde told her they should have qualified for a grant and he would request the DDW Board waive that and we will not have to repay it. Usually, the District would be required to pledge all of our revenues for repayment of the bond. She stated she did not feel good about this and it was determined that there will be enough revenue from the water users to cover the payments. She asked that only those revenues be pledged and they agreed to it. This will help with our bond credit rating. It is also a lot less expensive for our attorneys to do a simple revenue bond. She was very appreciative of the support from the Drinking Water Board.

#### **Bonding for the Beaver Dam Water System Project – Eric Johnson**

A RESOLUTION AUTHORIZING NOT MORE THAN \$745,000 TAXABLE WATER REVENUE BONDS, SERIES 2011 (with principal forgiveness in the amount of \$445,000 for a repayable principal amount not to exceed \$300,000) TO FINANCE WATER SYSTEM IMPROVEMENTS FOR THE BEAVER DAM AREA; FIXING THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT, MATURITY, INTEREST RATE, AND DISCOUNT OF THE BONDS; PROVIDING FOR PUBLICATION OF A NOTICE OF PUBLIC HEARING AND BONDS TO BE ISSUED; AND RELATED MATTERS.

Mr. Johnson was not in attendance. General Manager Jorgensen read the resolution aloud. A copy of the complete resolution was mailed to all trustees with the notice and agenda for the meeting. The resolution authorizes and confirms the intent of the Board to issue bonds according to state code provisions and the final bond resolution for the financing of the Beaver Dam Water System improvements. A public hearing will be held on July 27, 2011 at 7:00 p.m. at the office of the issuer to invite comments on the bonds. The advertising for the public hearing has been done in the Box Elder News Journal and The Leader.

A motion was made by Commissioner LuAnn Adams to approve Resolution 01-2011 authorizing taxable water revenue bonds, Series 2011 to finance water system improvements for the Beaver Dam area. 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
Richard Day – Aye	Charles Holmgren – Aye
LuAnn Adams – Aye	Clint Burt – Aye

**Board Member Reports – Trustees**

**LuAnn Adams:** was excused from the meeting after the approval of the bond resolution.

**Charles Holmgren:** reported it has been a most difficult year for the Canal Company. They have had problems getting water to Harper Ward and the end of the canal. A couple issues are being worked on. Computers have messed up the scheduling and a leak was found in Honeyville that was taking several second feet of water out of the system. Pacificorp has given extra water but they have angry board members and share holders. Hopefully, as of this evening, the Canal Company will have solved the issues.

**Richard Day:** No report

**Stan Stokes:** No report

**Brent Baugh:** reported he talked to a gentleman from Provo River Water Users. He was interested that they have a very large project underway. They are piping 21 miles of a canal with 10.5 ft diameter steel pipe at a cost of 150 million.

**LaRall Thompson:** No report

**Ross Rudd:** reported there is concern about the Bear River conservation easements. He told them to come in to our board before signing anything. He inquired of Board Member Holmgren whether the Canal Company can require water shares to stay with the land. He stated they used to be appurtenant to the land but now only a district or municipality or federal dam water such as Pineview is able to do that. He believed it was changed by the state legislature. Chairman Burt stated the change was made when the freeway was constructed and water rights were lost on that property so it was changed so they could be moved and sold without being attached to the land. Prior to the farmers buying the Canal Company, the sugar company owned the water rights and the Canal Company had contracts with them.

Vice Chairman Rudd asked about progress with the telemetry system that was approved at the last meeting. General Manager Jorgensen reported Bill Bigelow is working on a model to make sure it is going to work before ordering the equipment and spending the money.

**Public Comment**

There were no public comments.

**Adjourn**

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

The meeting adjourned at 6:52 p.m.