

**Bear River Water Conservancy District
Board Meeting
Wednesday, November 13, 2013 7:00 p.m.
BRWCD Conference Room
102 West Forest Street, Brigham City, Utah**

Minutes

Present: Trustees: Chairman Clinton Burt, Financial Chairman LaRall Thompson, Charles Holmgren, Brent Baugh, Tyler Vincent, Roger Fridal and Richard Day

Staff: General Manager Voneene Jorgensen, System Operator Bob Phippen, Administrative Assistant Cassee Harper

Visitors: Bill Bigelow – Hansen Allen and Luce
Eric Johnson – Blaisdell, Church & Johnson, LLC

Excused: Vice Chairman Ross Rudd, Board Members Dave Forsgren, LuAnn Adams and Jay Carter

Invocation: Financial Chairman LaRall Thompson

Adoption of the Agenda – Chairman Clint Burt

A motion was made by Board Member Charles Holmgren to adopt the agenda as written. The motion was seconded by Financial Chairman LaRall Thompson. Chairman Burt and Board Members Baugh, Fridal and Day voted in favor of the motion.

Approval of the Minutes for the Board Meeting held October 23, 2013

The minutes of the meeting held October 23, 2013 were included with the packet that was mailed to the Board Members. There were no changes to the minutes.

A motion was made by Board Member Brent Baugh to approve the minutes of the meeting held October 23, 2013 as written. The motion was seconded by Board Member Roger Fridal. Chairman Burt, Financial Chairman Thompson and Board Members Day and Holmgren voted in favor of the motion.

A PUBLIC HEARING TO RECEIVE INPUT FROM THE PUBLIC WITH RESPECT TO THE ISSUANCE OF THE LEASE REVENUE BONDS FOR THE COLLINSTON PROJECT.

A motion was made by Board Member Richard Day to close the Board Meeting and open the Public Hearing. The motion was seconded by Board Member Brent Baugh. A roll call vote was taken.

Charles Holmgren – Aye	Richard Day – Aye
Roger Fridal – Aye	Brent Baugh – Aye
LaRall Thompson – Aye	Clint Burt – Aye

Public Hearing – Public Comment
No Public Comment

A motion was made by Board Member Brent Baugh to close the Public Hearing and open the regularly scheduled Board Meeting. The motion was seconded by Financial Chairman LaRall Thompson. A roll call vote was taken.

Charles Holmgren – Aye	Richard Day – Aye
Roger Fridal – Aye	Brent Baugh – Aye
LaRall Thompson – Aye	Clint Burt – Aye

Collinston Project Bonding – Eric Johnson

Eric Johnson spoke to the Board explaining the resolutions before them today. There are two resolutions; one as the Board of the Local Building Authority, the other as the District Board. The two major things the District Board will be approving is getting the loan and getting the loan at a 0.6% interest rate. The Local Building Authority Board will be approving the project and building the project and will then lease the project to the District. The amount of the lease payment will be the amount of the Building Authorities debt payment on the loan. Once the loan is paid off the improvements automatically become the property of the District.

The unique feature about the lease is that it is not a lease for 30 years; instead it is a series of 30 leases, each of a one year duration. Board Member Day wanted to know if there was any collateral that needed to be put up for the loan and Eric Johnson explained that the collateral for the loan is the Collinston Project itself. It is the same type of financing that was done with the South Willard Project with the same lender but with a much better interest rate. The lender asked that the two loans, the one for South Willard and the one for Collinston, be cross-collaterals. What that means is if there is a default on one of the loans it is a default on both loans and both projects would be given back to the lender.

Board Member Fridal wanted more information on the Local Building Authority. Eric Johnson explained how the Building Authority Act was passed in the late 1970's.

Board Member Fridal also wanted to know how we will be paying for the project. General Manager Jorgensen said we will be repaying the Bond with the water revenue received from our customers; wholesale water revenue from Ukon Water Company and retail water sales from our 54 customers. The balance will be paid with other District revenues or property taxes.

Resolution for the District

RESOLUTION 07-2013

CONSIDERATION OF THE ADOPTION OF A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE BY THE DISTRICT'S LOCAL BUILDING AUTHORITY OF ITS \$2,865,000 LEASE REVENUE BONDS, SERIES 2014 FOR THE PURPOSE OF FINANCING DRINKING WATER SYSTEM IMPROVEMENTS IN THE COLLINSTON AREA; AUTHORIZING A MASTER RESOLUTION, GROUND LEASE, ANNUAL APPROPRIATION LEASE AND SECURITY DOCUMENTS; AUTHORIZING ALL OTHER ACTIONS NECESSARY TO THE TRANSACTION CONTEMPLATED BY THIS RESOLUTION; AND RELATED MATTERS.

A motion was made by Board Member Charles Holmgren to approve the Adoption of Resolution 07-2013 as written. The motion was seconded by Board Member Brent Baugh. A roll call vote was taken.

Charles Holmgren – Aye
Roger Fridal – Aye
LaRall Thompson – Aye

Richard Day – Aye
Brent Baugh – Aye
Clint Burt – Aye

A motion was made by Board Member Brent Baugh to close the District meeting and open the meeting of the Local Building Authority. The motion was seconded by Board Member Richard Day. A roll call vote was taken.

Charles Holmgren – Aye
Roger Fridal – Aye
LaRall Thompson – Aye

Richard Day – Aye
Brent Baugh – Aye
Clint Burt – Aye

Resolution for the Building Authority

RESOLUTION 02-2013

CONSIDERATION OF THE ADOPTION OF A RESOLUTION AUTHORIZING \$2,865,000 REPAYABLE PRINCIPAL AMOUNT OF LEASE REVENUE BONDS, SERIES 2014 FOR THE PURPOSE OF FINANCING DRINKING WATER SYSTEM IMPROVEMENTS IN COLLINSTON; AUTHORIZING A LEASE, GROUND LEASE, MASTER RESOLUTION AND SECURITY DOCUMENTS; PROVIDING FOR THE PAYMENT AND SECURITY OF THE BONDS; AND RELATED MATTERS.

A motion was made by Board Member Richard Day to approve the Adoption of Resolution 02-2013 as written. The motion was seconded by Board Member Roger Fridal. A roll call vote was taken.

Charles Holmgren – Aye
Roger Fridal – Aye
LaRall Thompson – Aye

Richard Day – Aye
Brent Baugh – Aye
Clint Burt – Aye

A motion to adjourn the meeting of the Local Building Authority was made by Board Member Richard Day. The motion was seconded by Board Member Charles Holmgren. A roll call vote was taken.

Charles Holmgren – Aye	Richard Day – Aye
Roger Fridal – Aye	Brent Baugh – Aye
LaRall Thompson – Aye	Clint Burt – Aye

A motion to reconvene the District Board Meeting was made by Board Member Charles Holmgren. The motion was seconded by Financial Chairman LaRall Thompson. A roll call vote was taken.

Charles Holmgren – Aye	Richard Day – Aye
Roger Fridal – Aye	Brent Baugh – Aye
LaRall Thompson – Aye	Clint Burt – Aye

Presentation of Tentative 2014 Budget – Voneene Jorgensen

The tentative budget figures were handed out to the Board Members at the meeting. General Manager Jorgensen explained the budget summary. She went over all the itemized revenues and expenses for the previous year, the estimated balances for the end of 2013 and the estimated budget for 2014. She stated it is a balanced budget for the fiscal year of 2014 with a total of \$2,054,777.00.

Board Member Roger Fridal moved to approve the tentative budget as presented and set a public hearing for the 2014 budget on December 18, 2013 at 7:00 p.m. The motion was seconded by Board Member Richard Day. Chairman Burt, Financial Chairman Thompson and Board Members Baugh and Holmgren voted in favor of the motion.

Trustee Reports – Board Members

LaRall Thompson – complimented General Manager Jorgensen on how she has been working very hard lately and that he really appreciates all she does.

Brent Baugh – no report

Roger Fridal – no report

Richard Day – no report

Charles Holmgren – the Canal Company has entered into an agreement between Proctor & Gamble and Hansen, Allen and Luce to do a study on a couple of their canals. Proctor & Gamble will pay for a majority of the study. This will be the biggest transfer of water shares since the Canal Company was purchased from U&I Sugar. There were some concerns about the ability of the canals to accept the water and also concerns with one of the canals the water was coming from. In order for Proctor & Gamble to get protest of their water right application out of the Bear River

they had to come up with some irrigation water to get Bear River Bird Refuge and Bear River Club to withdraw their protest so they purchased canal company shares to accomplish this. The Canal Company will deliver those shares down the Corinne Canal and Hammond West Canal. The shares going down the Corinne Canal will be for the Bear River Club and the Hammond West Canal will be for the Bird Refuge. The Canal Company is also looking at putting automated division gates on the West Main Canal and they are going to use Jones & Associates to do the design work.

Board Member Holmgren and Darin McFarland went to the Jordan Northern Canal last week to see the lining project where the canal failed last April. He is trying to coax the Canal Company Board to keep water in the canals later in the year to keep the water rights. The Jordan Northern canal was full last week and they run the canal all year around to supply Kennecott.

Darin McFarland went to the Water Quality Task Force meeting in Logan and got an update on the Cutler Dam Restoration Project. The reason Cutler Dam was taken down so low is because there was a lot of corrosion on the spill gates where the water runs over the top of the dam so they are rebuilding those.

Todd Adams was confirmed as Deputy Director of Water Resources. He is moving to Eric Millis' position since Eric Millis is now the Director of Water Resources. Board Member Holmgren heard a rumor that Leonard Blackham, the Commissioner of Agriculture, is retiring in January and that LuAnn Adams is a candidate for that position.

Clint Burt – no report

General Manager's Report – Voneene Jorgensen

Cache Valley Property

We have had no response from Mr. Postma on the Cache Valley property.

UASD Annual Conference

The UASD Annual Conference was a very good conference. Papers on legislative matters from the UASD Conference have been handed out for the board members to read in their spare time. General Manager Jorgensen was put back on the board of the Utah Association of Special Districts at the Annual Conference.

Water Summit

General Manager Jorgensen and several board members went to the Utah Water Summit. She gave her report at the Water Summit that summarized all the public comments received at the meetings she has attended. It was a great meeting and was very well attended. All the board members commended her for a job well done. She has been put on the State Water Plan Advisory Team and their first meeting will be on December 10th. There are about 38 other people on the team so there are a lot of different areas and varied interests represented. It will be facilitated by Envision Utah.

Collinston Project Update

We are happy to have the Bond Resolutions passed so we can continue on the Collinston Project. Bill Bigelow has been working on getting legal descriptions. We have another proposal for the Marble family that needs to be finalized and we have talked with Doug Hunsaker, he is going to give us an easement across his property. The easement will go down to the school district property and the booster station will be located on school district's property. Some of the Deweyville citizens had a problem with a water line across the top of the cemetery so we have found a different alignment that actually looks better than the original plan.

Board Member Vincent arrived at this time.

The Marble family is concerned about their property. Bill Bigelow has looked at all the property and has designated the different areas that are farmable and non-farmable. A total of 10.7 acres are needed from the Marble Family for the water lines and he storage tank. The Marble's would rather trade for connections. General Manager Jorgensen talked with attorney Craig Terry and he said there really was no problem with trading value for value and it can be done through a contract.

Board Member Charles Holmgren made a motion to authorized General Manager Jorgensen to negotiate a trade of five connections for the purchase of the property for the easement for the waterlines and location of the water storage tanks. The motion was seconded by Board Member Tyler Vincent. Chairman Burt, Financial Chairman Thompson, Board Members Baugh, Fridal, and Day voted in favor.

James Ashby is willing to give us a permanent easement on a corner of his property and he wants a connection to his house.

We had twenty-four contractors send in packets for pre-qualifications for the Collinston Project for both the tanks and the pipelines. It looks like we have a lot of good companies looking to do the work.

Canal Safety

There is proposed legislation drafted by the Land Use Task Force patterned after the Dam Safety Act for canals. It is concerning in the fact that they want the State Engineer to inspect all canals. That is something nearly impossible to do and very unreasonable. So, it is worth the District's effort to continue to encourage funding for canals to come into compliance with HB60.

Representative Perry is looking at eminent domain. General Manager Jorgensen hasn't had time to look at that yet but it is something she wants to follow. There is an ongoing threat to our taxing authority. We have to protect our authority and it is very important for us to stay involved with the Association of Special Districts and the legislative efforts. She feels that being back on the Board of the UASD will help keep us informed.

Financial Business – LaRall Thompson

Approval of Financial Statements

The financial statements for October 2013 were prepared and provided to the Board Members in the packet that was mailed to them. Financial Chairman Thompson asked for the Board to review the financial statements and approve them.

A motion was made by Board Member Charles Holmgren to approve the financial statements as presented. The motion was seconded by Board Member Richard Day. Chairman Burt, Financial Chairman Thompson and Board Members Baugh, Vincent, and Fridal voted in favor of the motion.

Unfinished Business – Chairman Clint Burt

There was no unfinished business discussed.

Public Comment

There was no public comment

Adjourn

A motion to adjourn the meeting was made by Board Member Richard Day. The motion was seconded by Financial Chairman LaRall Thompson. Chairman Burt and Board Members Baugh, Vincent, Fridal and Holmgren voted in favor of the motion.

The meeting adjourned at 8:34 p.m.