

**Bear River Water Conservancy District
Board Meeting
Monday, November 15, 2010 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, Dave Forsgren, Charles Holmgren, Brent Rose, Brent Baugh, Richard Day, Stan Stokes, and Bruce Christensen

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

Visitors: Bill Bigelow (Hansen Allen & Luce)

Excused: Commissioner Brian Shaffer

Invocation: Vice Chairman Ross Rudd

Adoption of the Agenda

There were no changes to the agenda.

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

Adoption of the Minutes for the meeting held October 27, 2010

A copy of the draft minutes of the meeting held October 27, 2010 was included with the packet mailed to the Board Members. There were no changes to the minutes.

Board Member Richard Day moved to approve the minutes of the meeting held October 27, 2010 as recorded. Vice Chairman Ross Rudd seconded the motion. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Day, Christensen, Holmgren, Stokes, Rose and Forsgren voted in favor of the motion.

General Manager's Report – Voneene Jorgensen

General Manager Jorgensen reported on the costs for the Harper Ward project portion that we will be participating in with Honeyville City and the LDS Church. The low bid was \$186,400.00. The engineering costs were added to the bid amount for a total cost of \$221,424.00. The District share is \$69,748.40. The District will pay 75% of that amount upfront for a payment of \$52,311.43. The remaining 25% will be paid after the final payment has been calculated.

She then reported a draft of the proposed Water Conservation Plan update was in the packet sent to the Board Members. She has sent the draft to the Utah Division of Water Resources to have it reviewed. She requested the Board Members give her any comments they have before the next board meeting. The plan will need to be adopted at the next meeting as the update is due at the end of December. It is a requirement in order to close the financing for the Beaver Dam project with the Division of Drinking Water. The plan is based on the number of retail customers in Bothwell and Harper Ward and their water usage. Our wholesale customers are responsible for completing a conservation plan of their own. There were some changes made to the draft and the new pages were provided to the board at the meeting held on November 10th. She asked them to replace those pages in their copy of the draft. General Manager Jorgensen explained it is difficult to make water conservation goals because the District is small and our water usage per capita is well below the state and national average.

General Manager Jorgensen announced that the Utah Water Users will hold the Water Summit on November 30th at the Provo Marriott. The agenda for the meetings includes the issues involved with conversion of ag water to municipal use. It seems there is not a real clear process for the conversion. It should be very interesting to hear the discussion from the municipal perspective along with the ag point of view. She offered to have the arrangements made for any of the board members who want to attend.

Beaver Dam Project

General Manager Jorgensen explained one of the requirements for the grant and loan to finance the project in Beaver Dam is an engineering design proposal with a scope of work to be done. It will be reviewed to be sure it complies with all the specifications and is complete. Bill Bigelow provided the board members with copies of the proposal by Hansen Allen & Luce. He explained the proposal includes all the administrative work that they have been doing since August such as meeting with the LDS Church, water rights work, environmental permitting, a rate study and impact fees, as well as the design work, services during construction and inspections. The total project cost estimate is about 1.7 million dollars. The design and services during construction are actually less than the usual 15%. He asked if the Board had any questions. Board Member Christensen asked about expenses incurred prior to the District getting involved with the project. Mr. Bigelow explained he included some invoices that were submitted by Beaver Dam to the District for the last couple of months but he actually has done work with Beaver Dam since 2004 and none of that is included. Starting in 2006, Beaver Dam took out a loan from the Division of Drinking Water for \$20,000 to plan the project and most of that was engineering expenses. That loan is being included in the 1.7 million dollars. Mr. Bigelow explained Beaver Dam will continue to operate their

system during the construction of the new one. Any revenue collected and not expended will go to the District once the new system is completed. While the project is being done, they will continue to bill their customers, collect the bills and pay expenses. General Manager Jorgensen explained any expenses with the project itself are now being paid by the District and will be reimbursed by the loan and grant. The District has paid almost \$70,000 on the project already and a reimbursement request will be sent in within the next couple of weeks. Beaver Dam Water Company will do maintenance and repairs up until we have water to sell to customers from the project. General Manager Jorgensen explained there are many more requirements for the federal funds making the project administration and design more expensive. There has been time spent working on the environmental study, working with Beaver Dam and the District to come to an agreement, work on water rights, meeting with the LDS Church and creating easements for the pipelines. Mr. Bigelow explained the participation with the LDS Church. He believes there is not enough water available to include Early Park but the meeting house will benefit from a connection. Board Member Holmgren asked about vulnerability of the District for any inherited problems from the Beaver Dam System. Mr. Bigelow stated the District has no responsibility while the new system is being built. He stated the contract protects the District quite well. If everything is not just right, the District has the right to back out and not take over the system. The District will continue to be invested for the next twelve months but not have any legal obligation for Beaver Dam Water Company's water system. The District will get reimbursed for funds expended at 75% from the Army Corps of Engineers and the Division of Drinking Water will reimburse 25%. Board Member Forsgren gave some information about Honeyville's experience with the Corps of Engineers grant funds. Mr. Bigelow explained, in previous projects, the District has always provided matching funds but with the Beaver Dam project, the funding is approved in the amount of 1.7 million. The Sponsor portion is \$5,000. Mr. Bigelow explained the intent is to keep all of the users with water available. There will be a transition period and any cross contamination issues with the old system will be taken care of. Users will have to show they have disconnected from the old system. Mr. Bigelow passed out a copy of the engineering contract to each of the board members and explained the process for doing the estimated costs. It is an estimate of an amount not to exceed as they do not charge the entire contract amount if it is not needed. They charge for the time and services provided. He stated only two thirds of the engineering budget for the South Willard project was expended. Board Member Brent Baugh arrived at the meeting at 6:30 p.m. during the discussion.

Board Member Dave Forsgren moved to accept the engineering contract for the Beaver Dam project as presented. The motion was seconded by Vice Chairman Ross Rudd. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Day, Holmgren, Rose, Baugh, Christensen, Stokes and Forsgren voted in favor of the motion.

South Willard Project

General Manager Jorgensen stated the project in South Willard is complete except for the operating permit. The gate has been hung. The contract with the well house contractor has been completed and approval was received to pay him. The money was transferred so a check will be sent.

Collinston Project

General Manager Jorgensen reported work has been done on the financial projections and the finances vs. the amount of water required.

Harper Ward Fire Flow Project

General Manager Jorgensen reported the fire hydrant project will begin on next Wednesday with staking of the hydrant locations.

Chairman Burt asked for questions from the Board for the General Manager. Board Member Christensen was concerned that a public hearing was held without a quorum present on November 10th. He wondered how there was authority to open and close the hearing without a quorum present. There was no one in attendance for the public hearing. General Manager Jorgensen recommended another public hearing be held. A public hearing will be advertised and held on December 15th prior to the adoption of the Water Conservation Plan update.

Board Member Reports – Trustees

Brent Rose: No report

Charles Holmgren: No report

Richard Day: No report

Dave Forsgren: reported he is excited for the Harper Ward Fire Flow project. He believes it will be good for the area. When the economy comes back and people realize they have fire protection in the area, we will see some home construction. If we save one house in the next ten years, it will be worth it.

Bruce Christensen: suggested the board set the next meeting before we leave.

Brent Baugh: No report

LaRall Thompson: No report

Ross Rudd: No report

Clinton Burt: No report

Presentation of Tentative 2011 Budget – Voneene Jorgensen

2010 Budget Evaluation

General Manager Jorgensen provided the board members with a revised budget at the meeting. She explained the changes to the 2010 Budget that needs to be amended. There is \$250,000 added to the budget because of the initial grant received from the Army Corps of Engineers for the Beaver Dam Project and \$157,163 to be transferred from our PTIF funds to be used for the Harper Ward Project. That brings the 2010 budget to a total of \$1,361,298. General Manager Jorgensen referred the Board to the financial reports provided in the packet for the end of October pointing out the percentage of the budget spent to date. She explained that we still have a good cushion on the regular budget and we should not have to make other amendments. General Manager Jorgensen read Resolution 01-2010 adopting the amendment to the budget for the fiscal year beginning January 1, 2010 and ending December 31, 2010.

Board Member Bruce Christensen moved to adopt Resolution 01-2010 amending the budget for the fiscal year 2010. The motion was seconded by Vice Chairman Ross Rudd. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Day, Holmgren, Rose, Baugh, Christensen, Stokes and Forsgren voted in favor of the motion.

Approval of 2011 Tentative Budget

General Manager Jorgensen explained the tentative budget for the upcoming fiscal year beginning January 1, 2011. She reviewed the summary and each line item for revenues and expenses. The total revenue is \$2,176,794. There was a discussion of the financing for the Beaver Dam Project from the Army Corps of Engineers and the Utah Division of Drinking Water. It is intended that the project is funded without using District funds. The loan for the project is at 0% interest. General Manager Jorgensen continued explaining the line items and then presented the balanced budget for 2011.

Vice Chairman Ross Rudd moved to adopt the tentative budget for the fiscal year beginning January 1, 2011. Board Member Richard Day seconded the motion. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Day, Holmgren, Rose, Baugh, Christensen, Stokes and Forsgren voted in favor of the motion.

General Manager Jorgensen noted that adjustments can be made to the tentative budget until the final budget is approved at the next meeting.

Budget Public Hearing Date and Place

General Manager Jorgensen explained the requirements for adoption of the budget. The Board is required to set a date, time and place for a public hearing to be held before approval of the tentative budget. The public hearing must be 30 days after the adoption of the tentative budget. The hearing can be held on December 15, 2010 to meet the 30-day requirement. She explained the requirements for noticing the public hearing, setting the date and time and ordering the public notice be published.

A motion was made by Board Member Bruce Christensen to hold the public hearing for the 2011 Budget to receive public comments on the tentative budget on Wednesday, December 15, 2010 at the Bear River Water Conservancy District office at 102 West Forest Street, Brigham City, Utah at 6:00 p.m. and to order that the public notice of the public hearing be published in the Leader and the Box Elder News Journal and posted to the Utah public notice website by December 8th, seven days prior to the hearing as required. Also, the tentative budget and all supporting data are public records and will be available for public inspection at least seven days prior to the adoption of the final budget. The motion was seconded by Vice Chairman Ross Rudd, Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Day, Holmgren, Rose, Baugh, Christensen, Stokes and Forsgren 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.

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

Public Comment

There were no public comments.

Adjourn

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

The meeting adjourned at 7: 32 p.m.