

**Bear River Water Conservancy District
Board Meeting
Wednesday, December 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), Cindy Tugaw

Excused: Commissioner Brian Shaffer

Invocation: Board Member Charles Holmgren

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 Richard Day seconded the motion. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Day, Christensen, Holmgren, Stokes, Rose, Baugh and Forsgren voted in favor of the motion.

Adoption of the Minutes for the meeting held November 15, 2010

A copy of the draft minutes of the meeting held November 15, 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 November 15, 2010 as recorded. Financial Chairman LaRall Thompson seconded the motion. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Day, Christensen, Holmgren, Stokes, Rose, Baugh and Forsgren voted in favor of the motion.

Closure of the Regular Board Meeting

Board Member Richard Day moved to close the regular board meeting and open the public hearings. The motion was seconded by Financial Chairman LaRall Thompson. A roll call vote was taken. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Day, Christensen, Holmgren, Stokes, Rose, Baugh and Forsgren voted in favor of the motion.

Public Hearing – Water Conservation Plan Update

A copy of the draft Water Conservation Plan was available for public inspection at the office. Notices of the hearing were published in the Box Elder News Journal and The Leader. Chairman Burt called for public comments on the Water Conservation Plan Update. There were no comments from the public. Vice Chairman Ross Rudd stated management did a very fine job on the plan and some good work was accomplished.

Board Member Richard Day moved to close the public comment on the Water Conservation Plan update. Financial Chairman LaRall Thompson seconded the motion. A roll call vote was taken. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Day, Christensen, Holmgren, Stokes, Rose, Baugh and Forsgren voted in favor of the motion.

Public Hearing – Proposed Rate Increase to Harper Ward

The Board discussed the proposed rate increase for Harper Ward. General Manager Jorgensen explained the District proposes to increase the water rate in the Harper Ward area from \$29.00 to \$39.00, a \$10.00 increase, to cover the costs to the District for fire flow service. The rate will be effective on January 1, 2011 and will be billed to the customer on statements received the first of February for the January water usage if approved by the Board. Board Member Christensen asked whether the increase would cover the additional costs for hydrants near the gas line. General Manager Jorgensen explained the increase would cover all the costs over time. The District feels the cost is fair. The rate has not been raised since installation of the project in 1995. She stated it is a good value for the customer; it adds value to their property and will also help with insurance costs. The notice of the rate increase was sent for publication in the News Journal and The Leader. A notice was also sent to all Harper Ward customers with their water bill at the first of December. A meeting was held with Harper Ward customers to present the project and they had the opportunity to review the maps of hydrant locations and give input regarding the project. Chairman Burt opened the meeting for public comment. There were no comments.

Board Member Bruce Christensen moved to close the public comment period for the proposed Harper Ward Rate Increase. The motion was seconded by Vice Chairman Ross Rudd. A roll call vote was taken. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Day, Christensen, Holmgren, Stokes, Rose, Baugh and Forsgren voted in favor of the motion.

Public Hearing – BRWCD 2011 Budget

Board Member Charles Holmgren moved to open the public hearing for the 2011 Budget. Financial Chairman LaRall Thompson seconded the motion. A roll call vote was taken. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Day, Christensen, Holmgren, Stokes, Rose, Baugh and Forsgren voted in favor of the motion.

General Manager Jorgensen stated the hearing is to receive comment on the proposed budget for 2011. The tentative budget was approved at the last meeting. There have been no changes to the tentative budget. Chairman Burt opened the public comment period for the 2011 Budget. There were no public comments.

Board Member Dave Forsgren moved to close the public comment period for the 2011 Budget. The motion was seconded by Vice Chairman Ross Rudd. A roll call vote was taken. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Day, Christensen, Holmgren, Stokes, Rose, Baugh and Forsgren voted in favor of the motion.

Reconvening of BRWCD Board Meeting

Board Member Bruce Christensen moved to reconvene the regular board meeting and close the public hearings. The motion was seconded by Board Member Stan Stokes. A roll call vote was taken. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Day, Christensen, Holmgren, Stokes, Rose, Baugh and Forsgren voted in favor of the motion.

Water Conservation Plan

General Manager Jorgensen stated she had not received any changes or comments from any of the Board Members. The Division of Water Resources has reviewed the plan and is pleased with it. She requested the Board approve the Water Conservation Plan update. The final draft of the Water Conservation Plan was included with the packet mailed to the Board Members. Vice Chairman Ross Rudd commended the management for a fine job on the Water Conservation Plan. General Manager Jorgensen read Resolution 03-2010 adopting the Water Conservation Plan update to the Board.

Board Member Bruce Christensen moved to pass Resolution 03-2010, adoption of the Water Conservation Plan update. The motion was seconded by Vice Chairman Ross Rudd. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Day, Christensen, Holmgren, Stokes, Rose, Baugh and Forsgren voted in favor of the motion.

BRWCD 2011 Budget

Judy Hartvigsen read Resolution 02-2010 adopting the budget for 2011.

Board Member Charles Holmgren moved to adopt the budget for 2011 by resolution. The motion was seconded by Board Member Richard Day. A roll call vote was taken. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Day, Christensen, Holmgren, Stokes, Rose, Baugh and Forsgren voted in favor of the motion.

Harper Ward Rate Increase

General Manager Jorgensen explained the rate increase for the Harper Ward System and asked the Board to authorize a water rate increase from \$29.00 to \$39.00 per month effective January 1, 2011. She explained the increase will be replacing the money used out of our reserves for the construction of the project. Our share of the costs for the Honeyville improvements as reported at the last meeting is \$69,748.40. We are paying 31.5% of the total cost. The contract for the installation of fire hydrants is \$82,415.00 plus the change order needed to install hydrants near the high pressure gas line. There may be seven hydrants that are affected. They will look at each hydrant on an individual basis to determine the best way to do the installation. The cost has been estimated to be \$700 to \$1,700 per hydrant. Bill Bigelow explained the gas line was too close to be able to do the hot tap on the affected hydrants.

General Manager Jorgensen explained at \$10.00 a month per customer, it will be approximately 14 years before the money is replaced. The District chose to use our own funds rather than pay a bond and interest for many years. Brigham City has increased the charges for the water from \$200 to \$266 per acre foot. She did not feel we could ask for a larger increase. The system will benefit the customers with fire protection as well as keep insurance rates down. The county requires a sprinkling system in homes when there is no fire protection. Hopefully, it will generate more customers with additional building.

Vice Chairman Ross Rudd moved to authorize the rate increase as discussed. The motion was seconded by Financial Chairman LaRall Thompson. A roll call vote was taken. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Day, Christensen, Holmgren, Stokes, Rose, Baugh and Forsgren voted in favor of the motion.

Board Member Reports – Trustees

Brent Rose: reported having a real good fall. The moisture levels look good and he thinks we have a start of a real good year. The Ruby Pipeline is charging forward and cleaning up a lot their mess but the roads are taking a huge hit. There was a bad accident on the Grouse Creek road with a truck roll over. One problem with Ruby Pipeline right now is the state permitted them a temporary well about three miles south of his family's well. The well was flowing for 33 years but quit about the time they drilled the new Ruby Pipeline well. Board Member Rose stated his well was being pumped during the summer and is not being used during the winter but is not producing water.

Charles Holmgren: reported the Canal Company has some Ruby involved issues. Ruby wants to use canal water to static pressure test the pipe after it is installed. They are apparently moving much slower than anticipated. He has heard they are planning on putting a second parallel line when they

get this one finished. The Canal Company is trying to update their computer system. They received a bid from a firm in Cache Valley for \$40,000 to write programs to deal with shareholder activity, scheduling, billing, etc. They are getting a second a proposal to construct a program. General Manager Jorgensen suggested contacting Rural Water for assistance. He then reported West Corinne Water Company is attempting to negotiate payment from Ruby Pipeline for crossing their water lines.

Richard Day: No report

Dave Forsgren: reported the fire hydrants will be in before Honeyville will have water to supply them. The contractor is moving slower than he anticipated.

Stan Stokes: No report

Bruce Christensen: reported his frustration with the state. Brigham City applied for a permit to show the testing program for bringing the water back from Procter & Gamble in April of 2009. Now, they are just getting around to looking at it and have not approved it but P & G will be discharging water on January 10th. They are scrambling to get something done. The state has been extremely slow.

Brent Baugh: reported he talked to Curtis Marble about the breaking of the water line in the Harper ward area. They need to replace the line but the cost is so high.

LaRall Thompson: No report

Ross Rudd: No report

Clint Burt: No report

Cindy Tugaw – Water for Collinston Area

Cindy Tugaw addressed the board and reminded them they are still thirsty in Collinston. She saw at the fair that Collinston is on the BRWCD Master Plan. She wanted to find out the progress for getting a water system. General Manager Jorgensen stated we need residents to participate to make it financially feasible. She asked Bill Bigelow to give an update on the Collinston project. Bill Bigelow explained Ukon Water Company came and asked for water to help with their arsenic problem a couple of years ago. For the past couple of years, the District has been intensively looking at a project and looking at ways to provide water. Riverside/North Garland Water Company has also expressed interest in a long term water supply. He stated the District is getting pretty close to having a project that is feasible to go to a funding agency. Mr. Bigelow felt the project's time has come because there is a real need and we are close to justifying it financially. He asked about how many homes would be interested in a hook up if the pipeline goes in. General Manager Jorgensen

stated we are in the process of doing projections for costs and participation. The District will send out another survey and move forward. She suggested contacting the committee members we had before. Chairman Burt asked Ms. Tugaw to work on getting a potential number of connections. Ms. Tugaw stated the big obstacle was that people wanted to know the cost and asked for information as to costs. Bill Bigelow explained the process that was followed when the Harper Ward System was started. A committee was formed and meetings were held. He suggested sending out a survey again and having a public meeting. General Manager Jorgensen explained the timing is good because of low construction costs. She suggested meeting again at the first of the year. Bill Bigelow explained the costs when the master plan was done were much higher. There have been some breakthroughs to get the costs down. He wanted to schedule a time with the board to present the results of studies.

General Manager's Report – Voneene Jorgensen

Status Report on projects – Bill Bigelow and Bob Phippen

System Operator, Bob Phippen reported on the progress with the Harper Ward Fire Flow project. There are five more hydrants to be installed on the east side of the highway. He explained the problem with the proximity of the high pressure gas line with our water line in some areas. They also found a place today where our water line is under the asphalt of the highway. They don't want to cut the asphalt in winter so it may be spring before the project is complete. They will pothole the rest of the locations to see where our main line is with the asphalt and the gas line and come up with a number of locations that will be waiting until spring to complete. There was a discussion of implications of not finishing the project as originally planned depending on placement of any affected fire hydrants.

Board Member Dave Forsgren made a motion to amend the previous motion for the Harper Ward Rate Increase to make it effective February 1, 2011 instead of January 1, 2011. The motion was seconded by Vice Chairman Ross Rudd. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Day, Christensen, Holmgren, Stokes, Rose, Baugh and Forsgren voted in favor of the motion.

The board will make a decision at the next board meeting whether to amend the contract after it is determined how much of the water line is under the asphalt and how many hydrants will be too close to the gas line to hot tap.

2011 Board Meeting and Holiday Schedules

The schedules for board meetings and official holidays were included with the packet mailed to the Board Members.

A motion was made by Board Member Dave Forsgren to approve the board meeting schedule and the official holiday schedule for 2011. Vice Chairman Ross Rudd seconded the motion. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Day, Christensen, Holmgren, Stokes, Rose, Baugh and Forsgren voted in favor of the motion.

General Manager Jorgensen reported the District has received the contract with the State of Utah for weather modification. The weather modification started December 1, 2010 and will continue to March 31, 2011. The total cost is \$49,250.00 which is the same as last year. The state will pay half and the District will pay half of that amount. She asked for a motion to authorize Chairman Clint Burt to sign the contract.

Vice Chairman Ross Rudd moved to authorize Clint Burt to sign the weather modification contract with the State of Utah. The motion was seconded by Board Member Brent Baugh, Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Day, Christensen, Holmgren, Stokes, Rose, Baugh and Forsgren voted in favor of the motion.

General Manager Jorgensen reported Randy Marble has made another payment of \$6,000 and she explained he assured her he will be able to complete his payments before the irrigation season begins next year. She stated he is working very hard and appreciates the support of the Board.

The District has received a check from Dale Byington and he has expressed his intention to lease the Cache Valley property for the next year.

The reimbursement request has been sent to the Army Corps of Engineers for expenses the District has incurred so far for the Beaver Dam project.

Board Members Ross Rudd and Brent Rose were reappointed by the County Commission at their meeting on December 14th. The County Commission will wait until the new year and new commissioners have taken office before making a decision of the Commissioner to serve on our board.

General Manager Jorgensen received a call from Ken Bousfield of the Division of Drinking Water asking to submit her name for appointment to a position on the Drinking Water Board. She asked for a motion of support from the board prior to submitting her application.

Vice Chairman Ross Rudd moved to support the General Manager as a member of the Drinking Water Board. The motion was seconded by Board Member Bruce Christensen. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Day, Christensen, Holmgren, Stokes, Rose, Baugh and Forsgren voted in favor of the motion.

Rural Water Conference – March 1-4, 2011

Board Members received a schedule for the Rural Water Conference at the meeting.

Utah Water User's Conference – March 14-16, 2011

The schedule for the Utah Water User's Conference was sent with the packet mailed to the Board Members. The Board Members were asked to let the office know if they are planning to attend either conference so arrangements can be made.

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 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.

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 7:53 p.m.