

**Bear River Water Conservancy District
Board Meeting
Wednesday, December 12, 2012 7:00 p.m.
Bear River Water Conservancy District Conference Room
102 West Forest Street, Brigham City, Utah**

Minutes

Present: Trustees: Chairman Clinton Burt, Vice Chairman Ross Rudd, Financial Chairman LaRall Thompson, Charles Holmgren, LuAnn Adams, Brent Baugh, Roger Fridal, Richard Day, Dave Forsgren and Tyler Vincent

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

Visitors: Bill Bigelow – Hansen Allen and Luce

Excused: Board Member Brent Rose

Invocation: Board Member Tyler Vincent

Adoption of the Agenda – Chairman Clint Burt

A motion was made by Board Member Charles Holmgren to approve the agenda as written. The motion was seconded by Vice Chairman Ross Rudd. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Holmgren, Adams, Baugh, Fridal, Day, Forsgren and Vincent voted in favor of the motion.

Approval of the Minutes for the Board Meeting held November 6, 2012

The minutes of the meeting held November 6, 2012 were included with the packet that was mailed to the Board Members.

A motion was made by Vice Chairman Ross Rudd to approve the minutes for the meeting held November 6, 2012. The motion was seconded by Board Member Charles Holmgren. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Holmgren, Adams, Baugh, Day, Fridal, Vincent and Forsgren voted in favor of the motion.

Public Hearing – BRWCD 2013 Budget

Opening of Public Comment

Chairman Burt called for a motion to open the budget public hearing.

Board Member Tyler Vincent moved to open the public hearing. The motion was seconded by Vice Chairman Ross Rudd, Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Holmgren, Adams, Baugh, Day, Fridal, Vincent and Forsgren voted in favor of the motion.

The Board Members were given a copy of the tentative budget that was presented at the last meeting. General Manager Jorgensen presented a summary of the budget for 2013 and reviewed the anticipated revenues of \$1,052,877.00 stating the budgeted expenditures match the revenues to have a balanced budget. The attached pages showed line item comparisons from the previous year. There were no changes from the tentative budget that was passed. The Collinston project was not included in the budget however, it is anticipated to begin in the coming year but the funding has not yet been obtained. The District has received \$635,000 in property tax funds for 2012. There will be an additional payment received in January for taxes collected in December. Most of the costs were kept to the same amounts as last year. She added more funds for conference registrations for Board Members to be able to attend those they want to.

Closing of Public Comment

There were no public comments on the budget for 2013.

A motion to close the public hearing was made by Board Member Roger Fridal. Board Member Brent Baugh seconded the motion. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Holmgren, Adams, Baugh, Day, Fridal, Vincent and Forsgren voted in favor of the motion.

Adoption of 2013 Budget

Vice Chairman Ross Rudd moved to adopt the budget for 2013 as presented. Financial Chairman LaRall Thompson seconded the motion. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Holmgren, Adams, Baugh, Day, Fridal, Vincent and Forsgren voted in favor of the motion.

Project updates – Bill Bigelow and Bob Phippen

Bill Bigelow addressed the Board stating the construction is essentially complete on both the South Willard Pipeline and the Beaver Dam Projects. The District is now going through the final close out process on both projects.

He has been working with the Box Elder School District on a project in Park Valley that the District will be participating in. The School District will be building a 5000 gallon water storage tank at the school site which is enough water to get the school through a full day. He explained the present system and problems with lack of water. A chlorination system for the school water system will also be installed. The School District will take over the operation of the water system from school personnel.

General Manager Jorgensen requested moving the item for the Newman Well to this time in the meeting. Mr. Bigelow gave information regarding the replacement of the Newman Well pump to increase efficiency. He gave some of the history of the pump. Bids range between \$23,000 and \$30,000 and have been received from three contractors. He will be evaluating the low bid to see if everything is in order and probably award it to the low bidder. General Manager Jorgensen stated the Board had asked for the bids to be presented and she asked the board for direction to proceed. Mr. Bigelow stated the pump is just not as efficient as it used to be and the District is losing \$5,000 to \$6,000 annually in power costs. When the motor was changed in July, the wear was noted and the board discussed replacement. Mr. Bigelow has designed a new pump for 84% efficiency. If the pump rather than the motor had gone out in July, it would have taken sixteen weeks to replace. If the pump should go down at a critical time, the District would not be able to make the necessary water deliveries. General Manager Jorgensen read a list of the bid specs. The three bidders were named for the Board. They are all from the Salt Lake Area. Mr. Bigelow stated the well should be producing more water. Operator Bob Phippen noted the drop in the amount of water now being pumped since he started working for the District. Mr. Bigelow stated the pump is working at about 75% efficiency.

Vice Chairman Ross Rudd moved to go forward with the evaluation of the bids and the pump replacement project. The motion was seconded by Board Member Richard Day. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Holmgren, Adams, Baugh, Day, Fridal, Vincent and Forsgren voted in favor of the motion.

Trustee Reports – Board Members

Charles Holmgren: reported he went to a presentation by the U.S. Fish & Wildlife Service on the Bear River Water Shed Conservation Area. Information is available on line. The proposal is for the Fish & Wildlife to purchase development rights from individuals in the Bear River Basin. There have been public hearings held throughout the basin. They appraise the property and pay the owner not to develop it in order to protect specific wildlife. Once the property is put into the conservation easement, it is permanent. They are looking for large tracts of acreage. Some of the prime habitat they are looking at in Box Elder County is in Harper Ward. He noted some of the other focus areas.

Board Member LuAnn Adams arrived during the report by Board Member Holmgren.

Board Member Holmgren continued stating there is a public comment period that will last until January 4, 2013. There has not been anyone in Utah previously to administer the lands but Bob Barrett is now taking over the administration. They are not going to interfere with development of water projects. One of his concerns was the impact on property taxes. Water is considered a mineral right and they would not keep owners from developing water sources.

LuAnn Adams: reported the county is in favor of the conservation easements if the land owners want them. She believed it is a good thing for protecting agricultural land however, you are dealing with the federal government and Rob Bishop was concerned about strings attached. She reported the County approved and adopted their budget.

Richard Day: No report

Dave Forsgren: No report

Roger Fridal: No report

Tyler Vincent: No report

Brent Baugh: No report

LaRall Thompson: No report

Ross Rudd: reported he has friends that put a ranch in a conservation easement and their experience hasn't been good because they didn't read all the fine print in the contract. They are curtailed on irrigation and told how many livestock they can put on the pasture. Board Member Holmgren stated he knew of a concern that if they were pasturing riparian areas, it may be fenced off for water quality or habitat reasons. There are many details involved.

Clint Burt: commented about his concern that the easement is permanent. Those who come later after those who signed it are dead cannot make any changes.

General Manager's Report – Voneene Jorgensen

2013 Board Meeting and Holiday Schedules

General Manager Jorgensen stated the schedules were included with the packet that was mailed. The meetings are on the 4th Wednesday of each Month except in November and December. The November meeting has been moved a week later this year in order to avoid the conflict with the UASD Conference.

Board Member LuAnn Adams moved to approve the meeting schedule for 2013. Board Member Roger Fridal seconded the motion. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Holmgren, Adams, Baugh, Day, Fridal, Vincent and Forsgren voted in favor of the motion.

The official holidays are the same as in previous years and are recognized state and federal holidays.

Board Member Richard Day moved to approve the holiday schedule for 2013. The motion was seconded by Board Member Brent Baugh. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Holmgren, Adams, Baugh, Day, Fridal, Vincent and Forsgren voted in favor of the motion.

Rural Water and UWU's Conferences

The Board Members received the conference dates as a heads up for planning purposes. The Rural Water Association Conference will be February 25 to March 1, 2013 and the Utah Water Users Workshop is March 18-20, 2013. Both conferences are held in St. George.

Purchasing Policy and Procedures Update

General Manager Jorgensen explained changes were needed to our policy. A page from the current policy was included with the packet that was highlighted with the changes. The word "small" was added. The Utah Code states purchases over \$50,000 must follow the bidding and noticing requirements. Our policy puts the limit at \$20,000. She requested our policy be updated according to the state statute in the Utah Procurement Code. She explained there is a proposal to revise the entire state procurement code and we may have to revise our policy later to comply with any changes made by the legislature.

A motion was made by Board Member Tyler Vincent to approve the proposed changes to the purchasing policy. The motion was seconded by Board Member Brent Baugh. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Holmgren, Adams, Baugh, Day, Fridal, Vincent and Forsgren voted in favor of the motion.

Bylaws Update

General Manager Jorgensen gave an explanation of changes to update the bylaws. The Board Members were given a copy of the revised bylaws in draft form at the meeting along with a list of the changes that are proposed. She asked for the Board to read through it in the next month and give her any suggestions for changes. She stated the document was reviewed by our attorney, Dallin Jensen and his comments were incorporated. She would like the Board to adopt the revised bylaws at the January meeting.

She then showed the Sno-Tel map that indicates the amount of water received and reviewed the storage water levels, Bear Lake levels and changes in soil moisture levels as compared with last year.

Resolution 02-2012 – Section 218 Agreement

The District received a letter from the IRS stating they were going to conduct an employment tax compliance check. This check was done on December 6th. She was asked whether the District had a 218 agreement. In order for the District to withhold social security tax from employees, this agreement must be in place because the District is a governmental entity that participates in a state retirement program. The District has always withheld Social Security and paid the employer share for all employees but she was told the IRS has no record of the District having the 218 agreement. In order to be in compliance with this requirement, the IRS will allow the board to pass a resolution to hold a referendum for the employees to vote whether or not to participate in Social Security. She explained some of the ramifications of eliminating Social Security benefits. She stated it was the intention of the District in the beginning to be vested in Social Security. The resolution was provided by the Social Security Administrator she has been working with. She read the resolution to the Board that was included with their packet that was mailed.

Board Member Charles Holmgren moved to adopt Resolution 02-2012 to provide for a referendum allowing the employees to vote whether or not to participate in Social Security. The motion was seconded by Board Member LuAnn Adams. There was an individual voice vote on the motion. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Holmgren, Adams, Baugh, Day, Fridal, Vincent and Forsgren voted in favor of the motion.

The referendum will now be noticed to the employees and held in 90 days as required.

General Manager Jorgensen announced the new IRS mileage reimbursement rate for 2013 will be .565 per mile. It is up one cent from the 2012 rate. The Board Members were provided with a revised travel reimbursement voucher form to be used in the new year.

Board Member LuAnn Adams moved to adopt the new mileage rate for the coming year as set by the IRS. The motion was seconded by Board Member Richard Day. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Holmgren, Adams, Baugh, Day, Fridal, Vincent and Forsgren voted in favor of the motion.

The Board Members were provided with a publication entitled “How Utah Water Works” at the meeting. General Manager Jorgensen explained this is a copy of the information presented by Senator Valentine at the interim meeting of the Tax and Revenue Committee in response to Senate Bill 78. The Water Conservancy Districts prepared presentations but they were not given time in the meeting to make any comment. Senator Valentine gave this as his answer to his responsibility to review the bill dealing with the issue of water conservancy districts having taxing authority. She stated they didn’t know the publication was even being written and she was unsure if the statistics presented match the data from Utah Division of Water Resources or the big

conservancy districts. It was prepared by the Office of Legislative Research and General Counsel. She believes the bill is now dead as the committee did not want to discuss it.

General Manager Jorgensen continued with her report stating the interlocal agreement with Brigham City for the USU CDA has been sent to our attorney, Dallin Jensen for his signature as required to ensure it complies with Utah Code.

The Riverside/North Garland contract has been discussed by their board members and Neil Capener will be signing it and delivering it to our office in the next week.

She reported she attended the last meeting for the year of the State Water Development Commission. The proposed bill from Pat Painter that earmarks funds from sales tax for water projects was discussed. It did not pass the Revenue and Tax Committee. It was to use 15% of the 30% of sales tax that is earmarked for roads to be used for water projects. It looks like it is also dead. They are not in favor of earmarking funds for water projects just for roads.

A final walk through for completion of the Beaver Dam project was held today. The General Manager along with Engineer, Bill Bigelow and Operator, Bob Phippen met with representatives from the county, Kevin Hamilton and Scott Lyons. They were impressed and appreciated seeing the project. Scott was especially appreciative of the fire hydrants. Bob explained to them how the system all worked in the treatment plant. The state is requiring that the Sleepy Hollow Spring which is one of the sources that goes into the system, be brought into approved status. It is the spring in Earley Park. They have required extra water quality monitoring. When the state issues the operating permit, all of the delinquency points will be eliminated.

General Manager Jorgensen asked Operator Bob Phippen to update the Board on today's activities in Beaver Dam. He stated there were some big cottonwood trees next to the spring collection box in Earley Park and the roots were overgrown and had slowed the flow from the Sleepy Hollow Spring. The roots were augured out with that spring isolated from the system to prevent any contamination during the process. They pulled out so many roots he was amazed any water was getting through. General Manager Jorgensen explained right now there is just a galvanized steel culvert around the spring that does not comply with Division of Drinking Water standards. She suggested putting in a new cement spring box capturing all of the water from the spring that drains into the box. Bob Phippen stated it would not pass a sanitary survey at this point. It is one more thing that needs to be done. This improvement should be done prior to closing out the project because it really needs to be done before we have a sanitary survey. Board Member Forsgren suggested that Grover Construction work on this and get it done before we close out the project. General Manager Jorgensen then reported improvements have begun on the access road. The bid was about \$18,000 and it is very necessary for safety and access as the ruts are very deep in places. It is being done for about one-third the cost of what it would have been bid at the beginning. The purchase was under \$20,000 so she conferred with the Chairman, Vice Chairman and Financial Chairman for approval to get it completed before the winter weather settles in.

**Financial Business – LaRall Thompson
Approval of Financial Statements**

The financial statements 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 statements and approve them.

A motion was made by Board Member Tyler Vincent to approve the financial statements as presented. The motion was seconded by Vice Chairman Ross Rudd. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Holmgren, Forsgren, Vincent, Adams and Baugh voted in favor of the motion.

Personnel Compensation

A motion was made by Financial Chairman LaRall Thompson to provide a Cost of Living Increase for the District employees of 3% and a merit increase for the General Manager of 3%. The motion was seconded by Vice Chairman Ross Rudd.

During discussion on the motion a decision was made to discuss the motion during the closed session without the employees present.

**Closed Meeting
To discuss the sale, purchase or lease of real property**

A motion was made to close the regular meeting and open the closed session to discuss the sale, purchase or lease of real property and subsequently close the meeting to discuss the professional competence of individuals by Board Member Roger Fridal. The motion was seconded by Board Member Richard Day. A voice vote was taken. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Holmgren, Adams, Baugh, Day, Fridal, Vincent and Forsgren voted in favor of the motion.

Board Member Tyler Vincent moved to leave the closed session and return to the regular meeting. The motion was seconded by Vice Chairman Ross Rudd. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Holmgren, Adams, Baugh, Day, Fridal, Vincent and Forsgren voted in favor of the motion.

Vice Chairman Ross Rudd moved to proceed with selling the water line to the Ukon Water Company as discussed with an added option for an additional year of payment if they want to keep their payments at \$10,000 per year. The motion was seconded by Board Member Richard Day. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Holmgren, Adams, Baugh, Day, Fridal, Vincent and Forsgren voted in favor of the motion.

Board Member Dave Forsgren moved to approve a Cost of Living Increase for the three District employees of 2% and no merit increase at this time. The motion was seconded by Board Member Roger Fridal. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and Board Members Holmgren, Adams, Baugh, Day, Fridal, Vincent and Forsgren voted in favor of the motion.

Public Comment

There were no public comments

Adjourn

A motion to adjourn the meeting was made by Board Member Dave Forsgren. The motion was seconded by Vice Chairman Ross Rudd. Chairman Burt, Vice Chairman Rudd, Financial Chairman Thompson and board members Holmgren, Vincent, Day, Fridal, Baugh, Forsgren and Adams voted in favor of the motion.

The meeting adjourned at 9:14 p.m.