

**Bear River Water Conservancy District
Board Meeting
Wednesday May 27, 2019 7:00 p.m.
Bear River Water Conservancy District Conference Room
102 West Forest Street, Brigham City, Utah**

Minutes

Present: Trustees: Roger Fridal, David Forsgren, Charles Holmgren, Mark Larson, Neil Capener, Jay Carter, Jeff Scott, Richard Day, Russ Howe, Jay Capener

Absent: Tyler Vincent

Staff: General Manager Carl Mackley, Systems Operator Robert Thayne, Administrative Assistant Jill Jeppsen

Other: Ryan Child, Erin Winterton of Child Richards CPAs & Advisors,

Welcome: Chairman Roger Fridal

Invocation: Russ Howe

Pledge of Allegiance: Jay Carter

Declaration of Conflicts of Interest: None

Adoption of the Agenda – Chairman Roger Fridal

A motion was made by Vice Chairman Forsgren to approve the agenda. The motion was seconded by Board Member Larson. All Board Members voted in favor of the motion.

Approval of the Minutes for the Board Meeting held February 19, 2020 and March 25, 2020

The minutes of the Board Meeting held February 19, 2020 and March 25, 2020 were included with the packet that was provided to the Board Members.

Vice Chairman Forsgren made a motion to approve the minutes as corrected for the meeting held February 19, 2020. The motion was seconded by Board Member Howe. All Board Members voted in favor of the motion.

Board Member N. Capener made a motion to approve the minutes for the meeting held March 25, 2020. The motion was seconded by Board Member Larson. All Board Members voted in favor of the motion.

Presentation of the 2019 Financial Audit – Ryan Child, Erin Winterton

Ryan Child presented the 2019 financial audit. A copy of the report was provided to each of the Board Members. Page one (1) of the report shows that the purpose of the audit is to express an opinion of the financial statements and whether they are supported by third party information such as bank statements,

vendor bills, receivables and supporting documentation. Paragraph two (2) states Management's responsibility in preparing the financial statements. The last paragraph on the page shows the opinion of Child Richards CPAs: In our opinion, the financial statements referred to present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of the Bear River Water Conservancy District's financial statements. As part of the audit, consideration is given to the internal controls that are established by the District's Board and Management in monitoring the financial statements for accuracy as well as prevention of any fraud or abuse. Page 28 contains the Report on Internal Controls. As a result of the audit procedures there were no weaknesses in Internal Control identified. Page 30 shows the Report on State Compliance. The State Auditor's Office issues the State Audit Compliance Guide every year and asks the auditors to look at certain areas of State Code with respect to local governments. The areas that were under audit this year are Budgetary Compliance, Utah Retirement Systems, Open and Public Meetings Act, Public Treasurer's Bond, Cash Management and Impact Fees. There was only one item to bring to the attention of the Board and it is shown on page 32 regarding the Open and Public Meetings Act. The criteria states that Utah Code requires all members of the governing body to attend annual training on the requirements of open and public meetings, and to provide evidence of such meetings. Condition: Two board members did not provide evidence of the required training. Just a reminder, that once a year the training needs to be completed on the Open and Public Meetings Act. After reviewing all the audit requirements, and financial statements this is the only item noted.

Erin Winterton reviewed the financial statements. The total revenue increased by \$218,417 or 11% over 2018. Most of the increase from the previous year was due to the sale of the Cache Valley property. Total expenses decreased from the previous year, mainly due to maintenance costs on the wells and exploration and studies costs. The net position increased by \$810,712. The money from this has been invested in capital assets. Cash amounts were reviewed as well as the capital assets. The capital assets increased by about \$500,000. Long term liabilities (bonds) were reviewed; as of December 31, 2019, there is an outstanding balance of \$4,719,175 on the bonds with \$393,000 due in payments within one year.

Vice Chairman Forsgren made a motion to adopt the 2019 financial statement as presented. The motion was seconded by Board Member Carter. All Board Members voted in favor of the motion.

Annual Status Report – Vice Chairman Forsgren

The board members received a written copy of the Annual Status Report of the District for 2019, it was part of the General Manager's report for May 2020 and was included with the packet that was provided to the Board Members. Vice Chairman Forsgren reviewed some of the highlights and accomplishments of the District for 2019:

- ♦ A two-year agreement was reached with Joe and Elaina Kliger, property owners in Deweyville, in order for the District to seed development of its approved water right in Deweyville.
- ♦ Drilling of the Flat Canyon Test Well & successful requesting of \$100,000 funding for the project.
- ♦ Public Meeting held with residents of Deweyville Town in May.
- ♦ Sale of Cache Valley Property with full-price offer.

- ♦ Installation of 1-mile pipeline in Bothwell for West Corinne Water Company.
- ♦ Backup Power Generator purchase and installation in Bothwell.
- ♦ Replacing South Willard Water Company connection with Bear River Water Conservancy District connection to the South Willard Stake Center of the Church of Jesus Christ of Latter-Day Saints.
- ♦ Bear River Development Feasibility Report released by Utah Division of Water Resources.
- ♦ Successful application for and receiving of \$100,000 grant for BRWCD Asset Management System.
- ♦ Water quality sampling programs for TDS in Bothwell and Arsenic in Beaver Dam implemented or expanded.
- ♦ Installation of new specialized chemical dosing pump for removal of arsenic in Beaver Dam. This improved the process tremendously.
- ♦ BRWCD gets a new website.
- ♦ BRWCD gets its first intern ever; Mathew Meier. Matt helped out with mapping, received valuable training and was available to fill-in for systems operators out for surgery and vacations.
- ♦ Successful 7-year agreement with Deweyville Town entered into. Allows additional water to be made available to the Collinston System for use by Ukon Water Company (50 acre-feet) and residential customers (50 acre-feet). Allowed for additional water sales.
- ♦ New fence installed around the North Parking Lot at the District Office.

Financial Business – Charles Holmgren Approval of Financial Statements

The financial statements for April 2020 were prepared and provided to the Board Members. Financial Chairman Holmgren has reviewed the reports and asked for the Board to approve them.

A motion was made by Vice Chairman Forsgren to approve the financial statements as presented. The motion was seconded by Board Member Scott. All Board Members voted in favor of the motion.

There was a discussion on possibly refinancing the South Willard bond. It has a higher interest rate than the other bonds. We will investigate the possibility.

General Manager Mackley asked the Board to adopt the PEHP Health Insurance Rates for 2020/2021 as presented.

A motion was made by Board Member Scott to adopt the rates for PEHP. The motion was seconded by Board Member Day. All Board Members voted in favor of the motion.

General Manager Mackley asked the Board to adopt the Electronic Board Meeting Policies and Procedures that were provided to the Board Members.

A motion was made by Financial Chairman Holmgren to adopt the Electronic Board Meeting Policies and Procedures as presented. The motion was seconded by Board Member Day. All Board Members voted in favor of the motion.

It was noted that the Chairman needs to take charge of an electronic meeting and ask for each person identify themselves when speaking and require a roll call vote for every motion.

There was a discussion regarding the benefits and draw backs of electronic meetings vs. in-person meetings.

System Operations – Robbie Thayne

The goats have been moved from South Willard to Beaver Dam and Collinston.

We are going to be changing out water meters in Harper Ward and Bothwell due to the age of the meters.

We need to repair a root barrier at Beaver Dam. The barrier was damaged while they were digging a trench for an irrigation line near the spring collection area. We do not want the roots to grow back in that area so we will make the repairs. The springs are flowing at about 25gpm out of Sleepy Hollow and 32gpm out of the lower springs, this is about what they always flow. It is down from last year because we did not get the rain this Spring.

The Collinston waterline extension project will be starting soon. It is an extension for a Sierra Homes development. It comes down from 3100 W to Highway 38 and goes north about ½ mile. It is also set to extend south when the Tugaw subdivision is developed. The drawings have been completed by our engineers. The developers are putting the line in. It will be an 8” waterline with three (3) fire hydrants. The subdivision has been approved by the County.

We still need to move a fire hydrant in south Willard on the Lefler line. It is in the way of the neighbor. We talked about this before, but all projects have been pushed back due to COVID-19 while the operators have been working alone. We are now getting back to where some of these things can be completed.

The GIS asset management is moving along. We met with Gateway Mapping yesterday. Most of our infrastructure has been added to the map. We are working with them on the work order/work history portion of the program. We will be meeting once a week for a while to complete the system set up. There was a short discussion of the District maybe helping other communities with their own system, what happens when new development comes in and how those pieces are added. The discussion continued with an explanation of how the equipment works, how items are located and added to the map.

We are working on a required EPA Risk and Resilience Assessment. Richard will be in charge of making sure we are in compliance.

We have an iron bacteria issue in South Willard. This is not harmful to anyone it just does not taste good. The bacteria live on iron when you add oxygen it grows. We are draining the tank into the overflow pond and flushing hydrants. To combat it you have to do a combination of treating it with chemicals such as chlorine and physically removing it from the water. We are going to reduce the tank level on a permanent basis to keep the water flowing until we have a need to use more water in this system. Using more water from the system (i.e., delivering more water to South Willard Water Company) helps to reduce the negative impacts of iron bacteria by keeping water moving. The source of the iron bacteria is thought to be from the well itself, and not the tank. There was a discussion on what the next steps will be and if it is harmful to the system infrastructure. It was noted the bacteria does not cause any negative health effects but may clog the system and be aesthetically displeasing.

Trustee Reports

Jeff Scott – There is a lot of building going on in the County.

Jay Carter – We need some rain in Park Valley.

Russ Howe – Things are good in Thatcher.

Richard Day – No report

Neil Capener– No report

Mark Larson– No report

Jay Capener – The canal failure near Cutler has been corrected. It was a 7-day project to correct. There was an old rock structure that failed, no one is sure why.

Charles Holmgren – Pacific Corp is doing some FERC (Federal Energy Regulatory Commission) licensing at Cutler where they are doing surge generation as opposed to more traditional generation. They are raising the level of Cutler and letting a big amount of water go all at once. You might have noticed the river level is up and down. It is an experiment to see if they can get a peak in power and generate more revenue that way rather than on a more continuous basis. We don't know if it will affect the Bird Refuge. The river commissioner, Jim Waterson, contacted all the pumpers from Cutler on down to let them know it was going to happen. They were concerned that the high flows might damage pumps if they were set too high in the river. There was some concern for pumpers in Cache Valley that the reservoir would be drawn down too low and the pumps would not reach the water. There weren't any reports that that happened. You can follow what they are doing on bearriverbasin.org. Bear Lake is 3 or 4 feet from full, they were running 400 cfs into the lake yesterday.

The Board of Water Resources has been told by the governor and legislators they need to prepare for budget reductions. They are preparing budgets with 2%, 5% and 10% reductions for this coming year.

Bear River Canal Company was scheduled to be on the Board of Water Resources agenda two weeks ago to get a reduction in the loan size and turn some money back to them; then the canal washed out. Instead, they requested additional money for emergency repairs to the canal. A week after the canal was washed out near Cutler, there was a rockslide in Cache Valley that took out a canal below Porcupine Reservoir. They applied for emergency funds from Board of Water Resources for repairs. This latest Bear River Canal repair should not affect the canal lining project on the Hammond Canal. They lined the section that was repaired that had an old concrete liner with an EPD liner.

P&G is building a road to their pumping station on the Bear River. Steve Bell retired from P&G. We do not know who his replacement is.

Weather report from the farm: The precipitation from October 1, 2019 until now was recorded, it measured 7.06. and last year it was 18.04 for the same time period. Russ Howe added that in the last 3 months there has only been ½ inch received in Thatcher.

Dave Forsgren – Honeyville is going to put in a 12” waterline from up past Crystal Springs and tie into the waterline at 8650 North. There will be two lines that connect the City’s two wells. This should cut pumping costs down for Honeyville on the north end.

Roger Fridal – There is a lot going on in Tremonton; a lot of houses being built, a lot of secondary water going in. Every place you go in the county there is a lot of building. A lot of good things going on; it is a good place to be.

Public Comment – No comments

General Manager’s Report – Carl Mackley

General Manager Mackley met with Honeyville City about a possible 20-year agreement for exchange of water from Harper Ward to Honeyville to Deweyville, and then to our Collinston system. The Honeyville City Council was receptive to the idea. The presentation turned into a conversation about modeling to know how it would affect their system to be wheeling additional water through. Mr. Mackley will be meeting with Jones and Associates; they are the engineers for Honeyville City. The Honeyville City council approved the District to do the study at our cost. A few questioned if the engineers have been given all the information from the previous engineers. This may be an opportunity for us to help them locate all their infrastructure.

General Manager Mackley asked for support from the Board for the District to do the hydraulic modeling of the Honeyville system to determine the feasibility of doing an exchange.

Financial Chairman Holmgren made a motion that the District enter an agreement with Honeyville City to perform a hydraulic modeling plan and feasibility study. The motion was seconded by Board Member Larson. All Board Members voted in favor of the motion.

We need to figure out what to do with the Flat Canyon well. It needs to either be put to use or abandoned appropriately. It would cost the District around \$20,000 to abandon the well. We have an option to donate it to the Kligers. They would file an application for a water right. We would do a quit claim deed on the well structure to transfer ownership. We have not transferred any of our water right to that well. There was a discussion regarding these options. It was mentioned that we need to review our Surplus Property Policy and discuss the issue further at the next board meeting.

We need to build an overflow pond in Bothwell. We have talked about doing it for a long time and now we have the funds, it would be a good year to make it happen. Our Master Plan proposes to add a one-million-gallon tank to the system with the existing half million-gallon tank. The pond will need to have 1.5 million-gallon capacity. There was a discussion on why the tank overflows and what happens when the overflow is too much for Krys Oyler's pond to hold. There are two options for the pond one being to only catch what is spilled over the top of the tank, the other is to go deeper and be able to drain the tank from the bottom. Looking at the situation in South Willard, it would be important to be able to drain the tank from the bottom, if needed. We are estimating the cost to be around \$200,000. The price would increase by about \$50,000 to put it down by the pump house because of the cost of the additional pipe. The footprint of the pond will be about 1.1 acre. The 2013 design accounts for the additional tank and pond on the existing District property.

A motion was made by Vice Chairman Forsgren to authorize General Manager Mackley to proceed with construction of an overflow pond in Bothwell with the funds coming from the depreciation savings account for the project. The motion was seconded by Board Member Day. All Board Members voted in favor of the motion.

We also need to look at a well house for the backup well in Bothwell, but we are still gathering information and will not ask for a vote on that project tonight.

The Collinston pipeline extension project that Robbie Thayne talked about in his report, has been approved by the Division of Drinking Water. We anticipate construction should be starting soon. We agreed to pay a portion of the engineering fees so that the District would have control over who was chosen to be the engineer. It should save everybody money using the firm that already has access to our information.

Election of Officers – Chairman Roger Fridal

Board Member Carter made a motion to retain the Board officers as currently constituted. The motion was seconded by Board Member N. Capener. Chairman Fridal, Vice Chairman Forsgren, Financial Chairman Holmgren and Board Members Scott, Carter, Howe, Day, N. Capener, Larson, and J. Capener voted in favor of the motion.

Board Member Larson made a motion to enter a closed meeting. The motion was seconded by Board Member Scott. A roll call vote was taken: Dave Forsgren, Aye, Charles Holmgren, Aye, Jay Capener, Aye, Mark Larson, Aye, Neil Capener, Aye, Richard Day, Aye, Russ Howe, Aye, Jay Carter, Aye, Jeff Scott, Aye, Roger Fridal, Aye.

A motion was made by Board Member Scott to adjourn the meeting. The motion was seconded by Board Member Board Member Carter. All Board Members voted in favor.

The meeting adjourned at 9:20 PM.