

**PROVO RIVER DISTRIBUTION SYSTEM
MINUTES OF THE ANNUAL MEETING OF THE BOARD OF DIRECTORS
JANUARY 7, 2003**

Pursuant to the Articles of Association, as amended by the Provo River Distribution System, and due notice having been given to all members, the Board of Directors of the Provo River Distribution System convened at 10:00 a.m. on January 7, 2003 in CUWCD conference room C at 355 West 1300 South, Orem, Utah.

Presiding: J. Edwin Ure, Chairman

Board Members Present:

J. Edwin Ure, Chairman
Sherman A. Giles
Harvey Van Wagoner, Vice-Chairman
Bart Simons
Boyd Rollins
Jack Jones
Russell O. Brown
Jonathan M. Clegg
Farrell Knight
Daryl Devey
Stanley Roberts

Representing:

Group 1 - Kamas Valley Canals
Group 2 - Upper Provo, East Heber Valley
Group 3 - Upper Provo, West Heber Valley
Group 4 - Provo City Canals
Group 5 - East Provo Canals
Group 6 - Provo Bench Canals
Group 7 - Provo Reservoir Water Users Assn.
Group 8 - Provo River Water Users Assn.
Group 9 - Upper Provo Individual Rights
Group 10 - Central Utah Water Conservancy Dist.
Provo River Commissioner

Boyd Rollins asked to be excused for the first part of the meeting to conduct business with CUWCD.

Adoption of Minutes of Annual Meeting Held January 8, 2002

Chairman Ure stated that as a matter of policy, minutes of the previous annual meeting should be reviewed at the next annual meeting. Minutes of the annual meeting held January 8, 2002 were approved at the special meeting held July 10, 2002.

A **Motion** was made by Director Jones and seconded by Director Devey that the minutes of the annual meeting held January 8, 2002 be approved. The Motion carried unanimously.

A **Motion** was made by Director VanWagoner and seconded by Director Devey to approve the minutes of the special meeting held July 10, 2002. The Motion passed unanimously.

Election of Officers

Director Giles **Moved** that the rules be suspended and that the existing officers be approved by acclamation. Motion was seconded by Director Jones and passed unanimously.

Financial Report 2002 Operations

Commissioner Roberts reviewed the 2002 Financial Report as prepared by the State Engineer's office. The report is marked "Draft" because there may be some minor adjustments made in the figures.

The January 1, 2002 balance in the Provo River Distribution Fund was \$57,057.88. Expenditures for the year totaled \$121,870.89. The budget for the year was \$132,400.00. Income for the year included \$122,859.11 in assessments, \$1,203.32 in delinquent penalties, \$1,058.70 interest, for a total of \$122,859.11. The Provo River Distribution Fund balance at year end was \$59,046.10.

Delinquent water assessments totaled \$1,497.10.

The Lake Creek-Center Creek-Daniels Distribution System had a beginning balance of \$5,703.44, expenditures of \$1,800.00, and a transfer to the Provo River Distribution system of \$1,000.00. The ending balance is \$2,966.93.

Commissioner Roberts stated that Item 10, State Engineer's Assessment, is to be based on the previous year's expenditures. Last year the State Engineer sent a letter stating the water users should pay all of the costs of the distribution system, including the State Engineer's office cost which was determined by the State Engineer to be 7% of the budget. The cost was to be implemented by charging 2.5% in 2002, 5% in 2003, and 7% in 2004.

The State Engineer has determined that the cost for 2003 is 5.2% of last year's expenditures, or \$6,337.00. Next year it will be 7.5% of this year's expenditures.

Director Simons asked if the 7.5% is the maximum. Is this designed to cover actual expenses, or to create revenue to eliminate a shortfall in the state budget?

There was an extended discussion as to how the state arrived at the 7.5% and about what expenses it covered in the Engineer's budget.

Director Simons and Director Clegg asked Commissioner Roberts to request that Lee Sim of the State Engineer's office come prepared to give a more detailed breakdown of what costs in the State Engineer's office were to be paid by this assessment.

Director Giles **Moved** that the Financial Report be accepted. The Motion was seconded by Director Van Wagoner and passed unanimously.

Commissioners' Reports

Deputy Commissioner Giles Report

In 2002, the precipitation averaged about 50% of normal, the fourth dry year in a row.

The river peaked on May 21 at 2009 cfs; 1198 cfs was natural flow. The remainder was imported water. The peak natural flow in a normal year is about 3000 cfs.

One hundred percent of first class rights were furnished on June 17; 20% on July 1; 50% on July 12; 35% on July 23; and 25% on August 7. After some storms in September it was 50%.

The sprinkling system and Jordanelle Reservoir saved the day in the Heber Valley, but the crops were below normal.

Commissioner Giles reported that he has enjoyed the cooperation of the water users and Commissioner Roberts.

Commissioner Roberts asked if there were any problems on Bench Creek. Director Knight indicated that the water master has kept the backhoes out of the river and there have been no complaints.

(At this point, Director Robbins joined the meeting.)

Commissioner Roberts' Report

2002 was a very dry year. Some tertiary water was stored in Deer Creek. The reservoir did not fill. The Class A rights were as low as 25% in August.

This is the second year of operation of the sprinkling system in Heber Valley and he has a handle on its operation. There was some tweaking of the computer program to make it more user friendly. The system was set up to be operated by Wasatch County but is currently being operated by the CUWCD. The costs are being assessed to the irrigation companies.

The Jordanelle Special Service District has been organized by Wasatch County to handle water and sewerage around Jordanelle Reservoir. They own the water rights from the Ontario Drain Tunnel with the exception of the Midway Irrigation right and they have a control for its use. The water is currently being delivered to Salt Lake City. There is talk of combining the irrigation companies, but it is still not finalized.

In Utah Valley, the CUWCD has a project to pipe the Upper East Union and the East River Bottom Canals in a single pipe. It will be installed after the 2003 irrigation season and be completed by the beginning of the 2004 season.

The Jordan Valley Water Conservancy District has purchased Geneva Steel's rights in the West Union Canal. The plan is to divert the water to Salt Lake Valley and supply remaining irrigation rights with water from a well.

Commissioner Roberts made the following recommendations:

1. A remote readout gauge be established on the Washington-South Kamas Canal. Estimated cost: \$3,000.00. One-half of the cost would be funded by the CUWCD.

2. A subcommittee of three directors be appointed to work with him as various problems arise. He recommended the director of the CUWCD, the director of Provo River Water Users Association, and the director of Provo Reservoir Water Users, these being the three largest users.
3. Funding be placed in the budget for clerical help on a contract basis.

The June sucker release required real cooperation among the agencies. The plan to release water from Deer Creek was not possible, so water was transferred from Jordanelle. The sucker release generated a lot of public enquiry.

A **Motion** to accept the Commissioner's Report was made by Director Devey, seconded by Director Jones, and passed unanimously.

Commissioner's Recommendations for Deputy Commissioners

Commissioner Roberts recommended that Sherman Giles and David Gordon be retained as Deputy Commissioners. Director Jones made a **Motion** that Commissioner Roberts' recommendation be accepted. The Motion was seconded by Director Rollins and passed unanimously.

2003 Budget

The budget for 2003 was reviewed and the following adjustments made:

1. Director Jones made a **Motion** to increase the Commissioners' salaries by 3.0%: Commissioner Roberts by \$1,491.090 to \$51,176.900; Deputy Commissioner Giles by \$725.00 to \$24,950.00; Deputy Commission Gordon by \$65.00 to \$2,250.00. Motion was seconded by Director Van Wagoner and passed unanimously.
2. The current reimbursement rate for travel is \$0.35 per mile for the Commissioner, and \$0.38 per mile for the Deputy Commissioners. **Motion** was made by Director Devey to increase the mileage reimbursement to \$0.365 for the Commissioner, and \$0.395 for the Deputy Commissioners. Motion seconded by Director Jones and passed unanimously.
3. Travel expense budget was set at \$3,000.00 for Commissioner Roberts, \$2,800 for Deputy Commissioner Giles, and \$500 for Deputy Commissioner Gordon.
4. The State Engineer's office expense was increased to \$6,337.00 as per a letter from Lee Sim.
5. Insurance premiums were increased by 10% over last year's expenditure. Director Jones' to be doubled if the increase was large enough.
6. Office expense was increased by \$1,100.00 to cover the cost of contract clerical

help for the Commissioners.

7. Equipment expense was increased to \$1,600.00 to cover one-half the cost of a Washington-South Kamas gauge. The other one-half would be paid by CUWCD.
8. A new item was added: \$1900.00 for a one-third cost of maintaining the Hailstone river gauge.

With these adjustments, the 2003 budget was set at \$141,200.00, an increase of \$9,800.00 over the 2002 budget.

A **Motion** was made by Director Clegg to approve the budget as adjusted. Director Van Wagoner seconded the Motion and it passed unanimously

At a meeting held with the State Engineer on January 9, 2003, a **Motion** was made by Director Clegg to set the assessment at \$135,000.00. Motion was seconded by Director Devey and passed unanimously.

Other Business

A **Motion** by Director Van Wagoner to appoint a committee consisting of the directors from CUWCD, Provo River Water Users, and Provo Reservoir Water Users to assist Commissioner Roberts in report matters was seconded by Director Devey and passed unanimously.

A **Motion** was made by Director Clegg to schedule a summer meeting for August 13, 2003. Location, time and agenda to be determined by the Chairman and the River Commissioner. The Motion was seconded by Director Van Wagoner and passed 9 to 1, with Director Rollins voting against the Motion. After some discussion, Director Rollins changed his vote to an "aye."

The State Engineer sent a letter stating that if the River System did not pick up the cost of certain gauges maintained by USGS, they would be discontinued.

Gauge 10155000, Provo River near Hailstone, \$5,600.00. **Motion** by Director Jones to fund one-third of the cost, of \$1,900, if CUWCD would fund one-third and Provo River Water Users Association would fund one-third. Director Devey and Director Clegg to take the proposal to their organizations. Motion seconded by Director Van Wagoner and passed unanimously.

Gauge 10159500, Provo River below Deer Creek Dam, \$6,100.00. It appeared from the discussion that the information furnished by this gauge was not essential to river operations. **Motion** made by Director Clegg and seconded by Director Rollins not to fund this location. Motion passed unanimously.

Gauge 1016300, Provo River at Provo, \$6,100.00. This gauge is used only the June Sucker program. Director Devey to advise them that the Provo River is not going to pick up the funding and suggest that they fund it. **Motion** by Director Devey not to fund this gauge. Motion seconded by Director Van Wagoner and passed unanimously.

Director Devey brought up the subject of assessments for exchange applications under the approved policy regarding them. In previous years, only the CUWCD has been assessed for these. The assessment has been a minimum of \$20.00 and then determined by some formula depending on the amount of water involved. Director Brown made a **Motion** to have the State Engineer assess all exchange applications a minimum of \$20.00 with the actual amount being determined by the formula being used for the CUWCD exchanges (Wentz units?). Motion seconded by Director Jones and passed unanimously.

Adjournment

Motion to adjourn made by Director Knight, seconded by Director Simons, and passed unanimously. Meeting adjourned at 12:05 p.m.

PROVO RIVER DISTRIBUTION SYSTEM

2003 Budget

ROB 1-7-03

Code No.	Item Description	2002 Budget	2002 Expended	2003 Budgeted
	Commissioner: Roberts, Stanley H. Jr.			
1	Salary	\$ 49,685.00	\$ 49,685.00	\$ 51,176.00
2	Social Security	\$ 3,800.00	\$ 3,778.77	\$ 3,900.00
3	Retirement	\$ 6,956.00	\$ 5,917.42	\$ 6,100.00
4	Travel Expense	\$ 3,200.00	\$ 667.45	\$ 3,000.00
	Deputy Commissioner: Gordon, David Raymond			
5	Salary	\$ 2,185.00	\$ 2,348.00	\$ 2,250.00
6	Social Security	\$ 167.00	\$ 179.63	\$ 185.00
8	Travel Expense	\$ 500.00	\$ 412.20	\$ 500.00
	Deputy Commissioner: Giles, Sherman A.			
5	Salary	\$ 24,225.00	\$ 24,225.00	\$ 24,950.00
6	Social Security	\$ 1,854.00	\$ 1,808.20	\$ 1,900.00
7	Retirement	\$ 3,391.00	\$ 2,993.16	\$ 3,100.00
8	Travel Expense	\$ 2,500.00	\$ 2,582.86	\$ 2,700.00
9	Contractual Services	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00
10	State Engineer's Office Expense	\$ 3,200.00	\$ 3,235.00	\$ 6,337.00
11	Insurance Premiums	\$ 16,632.00	\$ 16,165.06	\$ 17,965.00
12	Office Expense	\$ 1,500.00	\$ 950.63	\$ 2,600.00
14	Telephone Expense	\$ 1,000.00	\$ 747.59	\$ 1,000.00
15	Committee Expense	\$ 5,400.00	\$ 2,406.05	\$ 5,400.00
16	Annual Report	\$ 500.00	\$ 293.87	\$ 500.00
17	Equipment Expense	\$ 500.00	\$ 0.00	\$ 1,600.00
18	Miscellaneous Expense	\$ 1,705.00	\$ 975.00	\$ 1,637.00
19	Transfer from Provo LCD	\$ 1,000.00	\$ 0.00	\$ 0.00
20	Hailstone Gauge	\$ 0.00	\$ 0.00	\$ 1,900.00
	Totals	\$ 132,400.00	\$ 121,870.89	\$ 141,200.00

2003 System Assessment \$ 135,000⁰⁰