

Ash Creek SSD

Board Meeting

July 28, 2022

Present: Richard Hirschi, Nanette Billings, and Keen Ellsworth.

Staff: Michael Chandler, Fay Reber, Matt Goodrich, and Greg Kleinman

Audience: None

Prayer and Pledge: Richard Hirschi

Public comments: None

The minutes from the June 23, 2022, meeting was discussed.

Motion by Nanette Billings to approve the June 23, 2022, minutes. Second by Justin Sip. Motion carried by unanimous vote.

Mike talked about the engineering proposal to replace the pressure line along in the road west of Quail Lake Reservoir. The district will do the project in conjunction with the Water Conservancy District. Mike thought it would take about a year to design the project with construction starting in July of 2023. The engineering fee will be \$195,000.00. The district's portion will be about 30% of the entire project. The engineer is estimating a total project of about three million dollars. Mike was looking for approval of the engineering fees to start the design. The board talked about the selection process for the engineering firm.

Motion by Keen Ellsworth to approve a not to exceed cost of \$195,000.00 for engineering of the Highway 318 pressure pipe replacement project. Second by Justin Sip. Motion carried by unanimous vote.

Mike talked about extending the accounting services of Hinton, Burdick for the annual audit for the district. There has been minimal interest from other firms to do the audit and the staff felt like they do a good job. The price of the audits will be \$11,225.00 for 2022, \$11,980.00 for 2023, and \$12,600.00 for 2024.

Motion by Justin Sip to approve the extension of service contract with Hinton Burdick for three years at the costs specified in the agreement. Second by Keen Ellsworth. Motion carried by unanimous vote.

The months used to compute the monthly billing for commercial accounts was discussed. The district's rules set a three month period to use. This was supposed to charge the businesses for their peak usage and account for any outside watering that might be happening. As time has gone by, the district has found that the yearly average would be more accurate in most cases. There would also be a labor savings for both the district and cities. The current rules require the bills to each be calculated individually and entered into the billing software by hand. If a twelve month or yearly average was used, the software would be able to figure the charges automatically. Fay said the district would need to do the change by resolution because it is part of the Rules of Operation. Mike said the changes had already been made for 2022 and the staff will bring it back before the start of next year.

The board discussed purchase of the process equipment for the Confluence Park Treatment plant. The contract will start the design and engineering for the equipment. The company will have 70 days to complete the design and provide the plans to our engineers to put into the plan. The cost

for design and engineering would be \$529,652.00. There is a clause in the contract for the total equipment purchase price to increase or decrease if the FRED index shows a change in production costs.

Motion by Justin Sip to approve the confluence park equipment engineering and design contract of \$529,652.00. Second by Keen Ellsworth. Motion carried by unanimous vote.

Mike talked about some surplus property in LaVerkin. He would like to sell the property and use the money to purchase the penstock from the Confluence Park Trust. The district purchased the property from Rocky Mountain Power several years ago when the property for the LaVerkin Pump Station was purchased. The district does not have a use for the property. There is some value to one private individual and the park committee has expressed some interest. The appraisal of the property was \$15,000.00. Mike has talked to the park about purchasing the property. If the county can't purchase it for the park, Mike would bring the matter back to the board for approval to the board.

Motion by Keen Ellsworth to declare the property as surplus and approach the county for the sale. If the county is not willing to pay within 10% of the appraised value, staff will bring the matter before the board before offering it to private individuals. Second by Justin Sip. Motion carried by unanimous vote.

Mike talked about he bonds for the Confluence Treatment Plant. The parameters resolution allowed the district to bond for 30 million. The district has received two offers from banks with offers of direct purchase the bonds. The biggest difference between the two options is the interest rate with Bank of Utah is slightly higher but the district could pay off the bond at any time. The Webster bank offer would not allow the district to pay off the bond earlier than seven years without a penalty. The interest rate is just under 3.6% for a 20 million dollar bond. Darrel and Mike felt that the district would not be paying off the fee within seven years and could not see interest rates falling below the 3.6% to refinance. Kelly and Mike have signed the notice of acceptance with Webster Bank as approved by the parameter's resolution.

Mike reported that the district staff has met with the different construction manager companies to request bids for the Confluence Park Treatment Plant. Once approved, the company will work with the district to manage the construction of the treatment plant. Once the bids are received, the committee of Mike, Matt, Kelly, Justin, and Richard will meet with the companies to pick one.

The board talked about the collapsible soil on 3000 south in Hurricane. There was some discussion on how to do construction in the area.

Mike talked about the runoff water from Elem Vally and the work the district has done to alleviate rain and nuisance water as the area develops. He felt like Hurricane City needed to look at a plan to address the issue instead of moving it onto the district's land.