APPROVED 3/11/25

MINUTES OF THE
SPECIAL SERVICE DISTRICT #9 MINERAL LEASE BOARD MEETING
DECEMBER 12TH, 2024 AT 6:00 PM

ATTENDANCE:
Board Member - Spencer Park
Board Member - Murl Rawlins
Board Member - Kent Berg
Board Member – Lauren Provost (joined via phone at 6:20 pm)
Public Works - Kevin Davis, Terry Ekker, Amanda Simpson

WELCOME AND APPROVAL OF NOVEMEBR 06, 2024 MINUTES

Spencer welcomed everyone and Amanda handed out the 2024 Financial statement, the 2025 proposed budget, and copies of the November minutes.

A motion to approve the November 6th, 2024 minutes was made by Kent Berg, seconded by Murl Rawlins.

UPDATES ON PROJECTS & PURCHASES

PURCHASES

- Lease on Grader: Kevin talked to Trevor Schuman with Wheeler and was quoted that a lease would be $45,000.00 a year. Our current agreement is a better value with trading it out every three years at $20,000.00 a year. This includes the cost of the initial down payment.

- Snow Plows: The County has budgeted in the cost of three new plow trucks every year so that will help with getting the trucks back on track with their replacement schedule, and Mineral Lease being able to focus on other equipment that is needing replaced.

- Remaining budget: Ben said there is still about $300,000.00 in the Capital Outlay to be able to spend out for 2024. Kent suggested to get the Kenworth now rather then with the 2025 budget with that money. Kevin said that after talking to Kenworth, it would not be ready until March so we would have to stick with the 2025 budget for that purchase. Kevin then said that he did find a Snow Blower for $270,000.00 that is ready to be picked up and that if it gets sold out from underneath him he would have to order one to be built and the cost would go up 5 to 10% adding $13-$25 thousand to the price. Terry said that they wanted to propose to Mineral Lease, for the fiscal 25 budget, a new Kenworth (and then another one each year for the next three years as well), a belly dump, snowblower, continue with the current Equipment Leases, and a small trailer. Spencer asked about what Kenworth's we currently have and the replacement plan for them. Terry explained that there are three right now, and the strategy they are hoping to move forward with is to acquire a new one in 2025, hold on to all 4, buy another one in 2026, giving them 5 total to be able to utilize for the gravel hall project in Soapstone that year, and then surplus one or two at the end of that summer, pending on future projects that are planned at that time. Terry explained that they do have some hesitancy to unload the older ones because they do not have DEF.

PURCHASES

- Wallsburg Bridge: Terry said that it took a month longer then it was supposed to and so there ended up being additional construction administration costs for Civco. He said we did hit them with liquidated damages, and Civco ended up eating consulting fee's for several weeks in October to help with those costs. Terry also explained how there were *under runs* on asphalt quantities so that was an additional cost as well. He said that they ended up finding a middle ground that everyone felt was fair at the budget being over about $30,000.00.

A motion was made to purchase the snow blower in the 2024 budget was made by Kent Berg, seconded by Murl Rawlins.

2024 BUDGET AMENDMENTS / 2025 BUDGET APPROVAL

Spencer opened up the Meeting to Public Comment.
No comments were made so the meeting was closed for commenting and brought back to the board for actions on amending 2024 budget and approving the 2025 budget minus the snowblower that will be purchased by the end of this year. A motion was made by Murl Rawlins, seconded by Kent Berg.

Terry wanted to bring up again the current crane that is not big enough for what Public Works needs it for. He said that there might be a possibility that we can Surplus this truck to Wasatch County Solid Waste SSD and then would only need about $50,000.00 more to purchase the bigger one. Kent suggested that with saving the money in the 2025 budget by buying the snowblower in 2024, that if Solid Waste does in fact buy the smaller crane, he would agree on the purchase and says to move forward with it.

Spencer asked if there were any plans on Mineral Lease for road projects. Terry said that not as of now for the next couple of years out of Mineral Lease money. He said that he is working on Capital planning on all of the roads and is not quite finished with the pavement management program that he are putting together. What he is thinking, with the equipment cost going up and the revenue of Mineral Lease money staying flat, the 10 year equipment plan numbers is matching fairly close with the revenue numbers on Mineral Lease money, so to stick with just purchasing equipment with the Mineral Lease funds until 2030, when there will be less costs for equipment, as we should be close to done playing catch up on replacements, and can use more of that money on road projects. Until then we have other sources like the B Road money and impact fee's to use on Road maintenance. Terry said tho that if Mineral Lease requires so much to go to road projects he can move things around, just thought that it would be cleaner if we had it separated it out like this. Kent said we could look into it, and if we can keep it clean and separated like that, then to do it.

Spencer requested a motion to be approved for the 2025 budget at $789,185.00 if the Board was confident in what is expected to be received vs. what is expected to be spent out.
A motion was made by Murl Rawlins, seconded by Kent Berg.

Ben confirmed with the Board about if they wanted to include in the approval of the budget, the $100,000.00 to road maintenance, $40,000.00 for vehicle maintenance, and then all of the miscellaneous fee's like professional fee's for accounting, training/travel, audit, and liability insurance.

Murl Rawlins amended his motion to approve the budget to include these items for a total budget of $1,000,000.00, seconded by Kent Berg.

COMMITTEE CONCERNS UPDATES AND ISSUES

Kent wanted to make sure there were plans for the cab Mineral Lease purchased to be installed on the CAT. Kevin and Terry confirmed that yes, it was on their schedule.

Ben gave an update on the annual Broad Risk Assessment. He explained that it is a point system, the highest points available is 395, and his calculations show that we are at 325. There are some things that do not apply to Mineral Lease, we do not have credit cards, employees, internal audit functions nor an internal audit committee, so we can not get points for those items. 325 is on the lower range, but we are ok, and now that we have a new state auditor it may all change.
A motion was made for Ben to move forward with the Risk assessment by Kent Berg, seconded by Murl Rawlins.

NEXT MEETING / CLOSING

The same motion from the Risk Assessment that was made by Kent Berg, seconded by Murl Rawlins, included the scheduling of the next meeting for March 11th at 11:00 am.

A motion was made by Murl Rawlins to adjourn the meeting, seconded by Lauren Provost.