Heber Valley Special Service District

Board Meeting

November 13, 2025

MANAGER'S REPORT

1. **<u>THE FARM</u>**
    a. Making end of season repairs to irrigation equipment
    b. Servicing farm equipment
    c. Hay Sale scheduled for 11/19

2. **<u>LAGOONS</u>**
    a. **Odor Control Update**
        i. DHHS noted a draft document nearly complete but will need review from federal staff- expect delays because of gov't shutdown.
        ii. Lagoons operating well and have minimal odors.
        iii. Chemical feed systems discontinued for the summer/fall.
    b. **Dredging And Aeration Project**
        i. Dredging contractor mobilized this week – getting equipment set up.
        ii.
    c. **Winter Storage- Water Levels**
        i. Winter storage lagoons are now filling with the end of irrigation season.
        ii. Curtailed diversion of mechanical plant effluent to winter storage for the season.
    d. **Cattail Removal**
        i. Cattails have been removed from Cells 2 and 3
        ii. Had contractor clean up Cell 1 while on site- minor change order
        iii. Project completed first week of November
        iv. Used Contractor for some assistance on dredging project- materials transport.
    e. **Solar Mixer Repairs/Maintenance**
        i. Plan to re-establish solar mixer operation (out of service since I began)
        ii. District owns four units- none in service
        iii. Removing units from lagoons to provide service access and to relocate
        iv. Coordinating with manufacturers for service needs
        v. This is a 2026 capital improvement project, budgeted at $75k

3. **<u>MECHANICAL PLANT</u>**
    a. **South & North Trains**
        i. Both trains in continuous operation past month
        ii. Average Daily Flow: 1.2 MGD
        iii. Reduced flow due to lowering temperatures
        iv. Transitioning from summer to winter operations
    b. **Maintenance Work**

i. STM Aerotors
    1. Replacing broken conduit on STM motors
    2. Received additional spare parts for STM units
ii. Secondary Clarifiers
    1. Cleaned Launders

4. PROJECTS/MISCELLANEOUS

a. **CIB Projects**
    i. Funding Status: CIB has recommended that the District withdraw our funding request due to project uncertainty.
    ii. Headworks Upgrade
        1. Clarifier cover has been installed
        2. Odor control system – awaiting delivery of final components
        3. Troubleshooting screen/washpactor controls items
        4. Scheduled to complete entire project by end of year
        5. Pay request #6 submitted- see consent agenda
    iii. Mechanical Plant Expansion
        1. Continue to pause until direction/permitting from DWQ is clear
        2. Consider design of dewatering project separately.
    iv. Emergency Generator
        1. This project has been identified as one of the less risky CIB projects that could be pursued independent of the permitting concerns.
b. **Odor Monitoring and Control**
    i. Lift Station Monitoring
        1. Continued addition of Calcium Nitrate- feed rate has been held steady
        2. Results have been consistently low
    ii. Lagoons
        1. Refer to Item 2a
        2. DHHS monitoring has ended. Awaiting report of the results.
c. **Capital Projects**
    i. Irrigation Pump Station – VT Pump Replacement
        1. Analyzing quotes for preferred vendor/pump

5. REGULATORY/PERMITTNG

a. DWQ Updates
    i. Received call from John Mackey concerning farm property
    ii. DWQ believed that they had filed an 'affidavit' for the land purchased with EPA funds and recorded this with the County. Purpose was to have local record of the EPA's interest in the land.
    iii. Affidavit did not say that DWQ has a claim to the land.
    iv. DWQ could not find any record of this for HVSSD land.
    v. John Mackey suggested the District attorney should opine whether there are any legal claims to this land outside of HVSSD
b. Loughlin Water – Groundwater Permit
    i. Under Contract with Loughlin Associates- see previous agenda item.
    ii. Collected samples from plant MW's- Task 1.2

iii. Awaiting Phase 1 Report- Task 1.3

6. **ADMINISTRATIVE**
   a. CPA RFSOQ
      i. Advertised on State Procurement Website
      ii. Final Questions Due 11/14
      iii. SOQ's due 11/21
      iv. Need to determine selection committee
   b. IRS Penalties
      i. Have received multiple penalties from IRS for "failure to make a proper federal tax deposit"
      ii. Appears most or all of these are for our payroll taxes, Form 941 and Schedule B.
      iii. Multiple tax years have issues, 2020-2025
      iv. Have paid penalties of >$7k so far
      v. Additional penalties pending (per conversations with IRS)
      vi. See attached internal memorandum that summarizes this issue.
   c. High School Impact Fees
      i. Board has been apprised of options.
   d. Red Ledges
      i. Attorneys for HVSSD and JSSD have drafted and sent letter to Red Ledges.
      ii. Red Ledges attorney has reached out to our attorney to confirm HVSSD will not take Red Ledges wastewater.
   e. UDOT – Bypass
      i. Meeting with UDOT on 10/22 to discuss title search and ROW for farm parcels.
      ii. Initial title search turned up no liens.
      iii. Mentioned potential claim from DWQ for the land- refer to item 5a.

memo

Heber Valley Special Service District

To: James Goodley

From: Eliza McGaha

CC: None

Date: 11/05/2025

Re: Summary of IRS Penalties

Comments: As requested, the following summarizes the penalties the IRS has assessed based on the letters we have received from them as well as a phone call discussion I had with an IRS representative on October 1, 2025, regarding those letters. These penalties are a result of "failure to make a proper federal tax deposit." The IRS rep explained that schedule B was missing from the 941 reports. He said in 2023 we went to semi-weekly payroll and are now bi-weekly both of which require the schedule B form to be filled out and submitted with the corresponding quarterly 941 report. Here are the penalties we have received thus far via letter, and the ones the IRS rep said are coming:

1. 1st Quarter 2025: $668.01 (letter received – 11/05/2025) – to be **PAID** November check run
2. 4th Quarter 2024: $1951.10 (letter received – 06/21/2025) – **PAID** via EFTPS
3. 3rd Quarter 2024: $1116.00 (IRS rep via phone call – 10/01/2025)
4. 1st Quarter 2024: $348.00 (IRS rep via phone call – 10/01/2025)
5. 4th Quarter 2023: $704.72 (IRS rep via phone call – 10/01/2025)
6. 3rd Quarter 2023: No amount given (IRS rep via phone call – 10/01/2025)
7. 1st Quarter 2023: $4654. 02 (letter received – 09/29/2025) – **PAID** 10/22/25 check #2372
8. 4th Quarter 2020: $835.00 **CREDIT** (IRS rep via phone call – 10/01/2025)

Total penalties paid: $7273.13

Additional pending penalties: $2168.42 with an additional unknown amount for 3rd Quarter 2023