

customers are fairly compensated for their historical investment in the system before new customers receive service. Based on recommendations from two city engineers, Director Postema identified a qualified firm to undertake the study necessary to begin a Gas Master Plan. He indicated the gas fund has sufficient reserves to cover the cost without additional appropriation. Director Postema supported including Apple Valley and Centennial Park in the scope, noting that growth projections, zoning, and community input would all need to be gathered as part of the process.

Motion to recommend to the two City Councils that staff be authorized to proceed with developing a Gas Master Plan with a professional engineer, with the intent of evaluating how much the system can be expanded without negatively impacting existing customers was made by Chair Cooke. Seconded by Board Member Holm.

Voting Yea: Chair Cooke, Board Member (Vice Chair) Jessop, Jr., Board Member Barlow, Jr, Board Member Holm, and Board Member Barlow.

Motion Carried.

Board Comments: (10 minutes total)

Board members comments of issues not previously discussed in the meeting.

Board Member Dale Barlow Jr. noted The Town of Colorado City Council meeting is at 5pm - the Calendar states 6pm.

Jerry Postema - Sunrise Engineering issued a technical memorandum concluding that a developer's project is not eligible for the IFF CIP funding as the project falls within an area with existing sewer infrastructure. He will present the memo to the Board next session.

Athena has resigned and her last day is April 30th. Her replacement will start April 27th.

8. May 2026 Utility Calendar

Next meeting was confirmed for Thursday May 21st 6 pm

Executive Session: As needed

None

Infrastructure Improvements Advisory Committee Session: As Needed

None

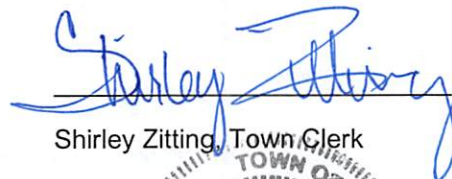
Adjournment: Presiding Officer

Chair Cooke adjourned the meeting at 7:02 pm

Minutes were approved at the Utility Board Meeting 5.21.26.



Maxene Jessop, City Recorder



Shirley Zitting, Town Clerk



None

New Board Business:

5. Consideration, discussion, and recommendation to the two City Councils to approve the Wildflower Subdivision Plat pending a development agreement for water and sewer.

Director Postema presented an updated version of the Wildflower Subdivision preliminary plat. He noted that changes have been made to the project's phasing since the board last reviewed it, requiring this Board provide a recommendation to the two City Councils prior to final plat approval. Discussion confirmed that the Board's primary concern is ensuring the existing system can support the new development without negatively impacting current customers, and that the development agreement is designed to secure adequate upfront funding for any necessary water and sewer improvements prior to construction.

Motion made by Board Member Holm to recommend to the City Councils approval of the Wildflower Subdivision Plat pending a development agreement for water and sewer. Seconded by Board Member Barlow.

Voting Yea: Chair Cooke, Board Member (Vice Chair) Jessop, Jr., Board Member Barlow, Jr., Board Member Holm, and Board Member Barlow.

Motion Carried

6. Consideration, discussion, and recommendation to the two City Councils to approve the draft Sewer Master Plan and Proposed Sewer Rates.

Director Postema presented a return to the previously-tabled two rate increase options prepared by Sunrise Engineering (Blaine, attending via Zoom) for Board consideration.

Option 1 (10% Increase): Years 1 through 5 see increases of 8%, 10%, 10%, 10%, and 10% respectively, followed by 2% annually thereafter. The net cash flow is negative in Years 1 and 2 due to significant capital expenditures, including a Professional Engineer Report (Year 1) and a new Lift Station (Year 2), before turning substantially positive in Year 3 onward.

Option 2 (8% Increase): Years 1 through 5 see uniform 8% increases, followed by 2% annually. The net cash flow remains negative through Year 2, with a very lean positive position in Year 3, improving more gradually than Option 1.

Both options incorporate a tiered rate structure with the first 5,000 gallons of usage included in the base rate at no additional charge, which protects low-income and fixed-income customers, who typically fall within that usage band, from bearing the burden of the rate increases.

Motion made by Board Member Barlow, Jr. to recommend to the City Councils to approve option #1 and reevaluate in 3 years. Seconded by Board Member Holm.

Voting Yea: Chair Cooke, Board Member (Vice Chair) Jessop, Jr., Board Member Barlow, Jr., Board Member Holm, and Board Member Barlow.

Motion Carried

7. Consideration and discussion on the Gas Master Plan.

Director Postema presented the topic of developing a formal Gas Master Plan, noting that the city's gas system from Hurricane, Utah through Colorado City, Arizona currently operates without a master plan comparable to those in place for water and sewer. Lacking a gas plan results in no gas impact fees, no established formal extension agreements, and connecting parties typically bearing the cost of new connections without broader cost-sharing. A master plan would define capacity constraints, establish impact fee frameworks, evaluate master metering versus individual metering, and ensure that existing

Motion Carried

Reports:

3. Utility Monthly Report

Superintendent Nathan Fisher presented the April 2026 Utilities Monthly Report, highlighting the following:

Gas Operations: The utility crew installed a security fence around the Cathodic Protection System rectifier in Apple Valley using largely existing stock materials. The new fence improves crew access and reduces unauthorized public access. High-voltage warning signs are the next step for that site. Staff also completed annual PHMSA-mandated gas welding certification training, with technicians welding samples retained on file for inspector review. In March, staff delivered 11,759 gallons of propane to 120 customers.

Sewer Operations: Operations at the sewer treatment facility are normal. Goats continue to be utilized for environmentally friendly grounds maintenance at the lagoons, helping to prevent root intrusion from tall weeds.

Water Operations: The protective coating project on the one-million-gallon storage tank on Elm Street was completed over the winter and spring seasons. Three wells previously approved for cleaning by Cluff Drilling have been returned to service by utility crews. Board Member Jamison Barlow inquired about the condition of the spring collection box in Jan's Canyon following a recent fire. Superintendent Fisher confirmed the fire came within approximately 600 feet of the site but remained downhill, with no impact to the spring infrastructure.

4. Utility Director Report and Updates

Jerry Postema presented.

PFAS: A meeting was held with ARCADIS Engineering, the firm engaged by the EPA, on February 17, 2026. Water samples were taken and results are pending. A follow-up meeting is expected in late April to determine treatment options. All PFAS mitigation costs are covered by the EPA.

CDBG Grant – Wells 25 & 26: Paperwork has been completed and turned over to the engineer, who is now working on the outfitting design for the two new wells. The project is expected to go out to bid as soon as June 2026.

CIB Grant: The grant was awarded at the April 2, 2026 board meeting in Salt Lake City, with Chair Theil and the Mayor in attendance. The CIB recommended a \$4.7 million award, split equally between a grant and a 0% interest loan. Final paperwork and fund disbursement are expected in early June 2026.

Sewer Master Plan: Approximately 95% complete. The Capital Improvement Plan and facilities plan sections are being finalized, after which both cities will review the document. Any changes to impact fees will follow from that review.

Homestead Sewer Project: The project with boundaries running from Arizona Avenue and Homestead Street to Township Avenue and Oak Street is still under final design. The engineer indicated the project would be ready to bid in approximately one month, with construction potentially beginning as early as June and extending into the next fiscal year.

Annual Audit: The utility department has completed its portion. The auditor is expected to issue a release to the full city within the next month.

Financial Reporting Improvements: Director Postema noted that a newly engaged financial services entity is working to improve the check register format so that fund names will display in lieu of account numbers, improving transparency for the board and the public.

Unfinished Board Business:



Hildale / Colorado City Utility Advisory Board

Thursday, April 23, 2026 at 6:00 PM

320 East Newel Avenue, Hildale City, Utah 84784

Minutes

Welcome, Introduction and Preliminary Matters: Presiding Officer

Chair Cooke called the meeting to order at 6:00pm

Roll Call of Board Attendees: Utility Management Assistant

PRESENT

Chair Theil Cooke

Board Member (Vice Chair) Sterling Jessop, Jr.

Board Member Dale Barlow, Jr.

Board Member Brigham Holm

Board Member Jamison Barlow

Staff: Jerry Postema (Zoom), Nathan Fischer, Athena Cawley, Miranda Jeffs, Blaine Worrel (Zoom)

Pledge of Allegiance: By Invitation of Presiding Officer

Board Member Dale Barlow, Jr. led the pledge.

Conflict of Interest Disclosures: Board Members

No conflicts of interest were disclosed.

Approval of Minutes of Previous Meetings: Board Members

1. Utility Board Minutes of January 29, March 26, and April 9, 2026.

Utility Director Jerry Postema advised that he had not yet had an opportunity to review all three sets of minutes and requested they be tabled to the next meeting. Chair Cooke concurred. This item was tabled.

Public Comments: (3 minutes each - Discretion of Presiding Officer)

No public present

Financial Report:

2. Approval of Utility Financial Report and Invoice Register

Utility Director Postema presented the financial report for the nine months ending March 31, 2026. He reported that the financials are being restored to 100% accuracy and noted this was likely the first time the Board had seen them in a while. At approximately 70% through the fiscal year, overall expenditures were tracking between 48% and 50% of budget, indicating the department is well within budget. Director Postema acknowledged that certain line items appeared elevated but explained these reflect annual one-time billings, such as insurance, which are typically expended in full by the fall.

Motion made by Board Member Holm, to approve the financial report and invoice register. Seconded by Board Member Barlow, Jr..

Voting Yea: Chair Cooke, Board Member (Vice Chair) Jessop, Jr., Board Member Dale Barlow, Jr., Board Member Holm, and Board Member Jamison Barlow.