

SPECIAL MUNICIPAL BUILDING AUTHORITY (MBA) MEETING
PUBLIC HEARING ON THE SECOND AMENDED FY 2026 BUDGET AND THE
REGULAR TOWN COUNCIL MEETING MINUTES WEDNESDAY, MAY 20th, 2026, AT
6:30 P.M.

CASTLE VALLEY TOWN BUILDING - 2 CASTLE VALLEY DRIVE

****This meeting was a hybrid meeting held electronically by Zoom and also in person at the anchor site of the Town Building.**

Council Members Present: Mayor Duncan, Council Members Gibson, Hill, Holland, and O'Brien

Council Present on Zoom: None

Absent: None

Present at the anchor site: Dorje Honer, Colleen Thompson, Egmont Honer, Ron Drake, Jim, and Shawn Winder.

Others Present on Zoom: Glade Soward (URC) Brenda Short and John Groo.

M Duncan called the Meeting to Order and Buck called role at 6:32 PM.

SPECIAL MUNICIPAL BUILDING AUTHORITY (MBA) MEETING

1. Appointing new Municipal Building Authority Board Members Mayor Duncan, CM O'Brien, and CM Holland. Buck led Mayor Duncan, CM O'Brien, and CM Holland through their oath of office.
2. Authorization of annual Town Building CIB loan payment for \$ 7350.00.
3. CM Hill authorized the payment of \$7350 for the Municipal Building CIB loan, CM O' Brien seconded, motion passed unanimously.

M Duncan closed the MBA Meeting and opened the Public Hearing at 6:33PM

PUBLIC HEARING

Public Hearing on the Amended Budget for FY 2026

Public Comment: No comments

M Duncan closed the Hearing at 6:34PM

Regular Town Meeting

1. Open Public Comment: Jim Winder introduced himself; he is running for County Sherriff. He stated that if elected he would be attending the Council meetings on a regular basis and he emphasized the importance that he be in constant communication with the community for public safety.

2. Approval of Minutes: Regular Town Council Meeting April 15, 2026.

CM Hill moved to approve the April 15, 2026, Meeting Minutes, CM O'Brien seconded and the motion passed unanimously.

3. Executive Reports:

*Water Agent and Water Advisory Committee Report - John Groo/ CM O'Brien/Sarah Stock. Meeting Minutes provided. Groo explained he has been working on amending the Water Use Agreement and Ordinance and with Sarah working on a proposal for Water Metering. He will provide these drafts to the Council next month for their feedback. If the drafts are approved, then he would send them for legal review before they go on to the PLUC. CM O'Brien reported that the County Planning Commission is still working on the Water Use and Preservation part of the County's General Plan. The changes need to focus on conservation and watershed management instead of relying on using the Colorado River.

*Road Department Report- D. Honer – Report provided. Discussion between CM Gibson and Honer to get the end of Shafer closed off from motorcycle traffic and to replace the "not a thru road "sign on Shafer at CV Drive. Honer reported he recently met with the BLM, and they will be working on the Castle Creek berm to reduce the potential for flooding into lower Shafer and Miller.

*Planning & Land Use Commission-Faylene Roth / Deb Testa- Minutes provided. There was discussion on a non-permitted off grid building at the top of Taylor. This building is very primitive and was built years ago. The new owners have been approved by the County to build an addition, and Thompson verified the addition met with the Town's zoning setbacks.

*Utah Renewable Communities-CM Gibson- see Item #6

*Fire District-Chief Drake reported Engine 37 has been repaired and he went and picked it up in Salt Lake. The Fire District will put on a 4th of July Celebration.

* Information Technology (IT) Report- Colleen Thompson- nothing to report.

4. Correspondence: Emails previously sent out.

5. Administrative Matters & Procedures: No Town letters. We received an Emergency Operation grant through Grand County and with the funds we will be getting some solar generators, work lights, and a laptop. There are two positions open on the Planning and Land Use Commission so far Jeff Whitney has reapplied. The Groundskeeper position is still open. Buck reminded everyone that the "Grand County Senior Needs" survey is available online and there are hard copies in the library.

NEW BUSINESS

6. Discussion and Possible Action re: Adopting Ordinance 2026-1 Adopting the Utah Clean Energy Program. Glade Soward presented a power point (available on the Town's website and YouTube <https://www.youtube.com/watch?v=8uu980eqzNU> starting at 34:05) reviewing the history and explaining the Utah Clean Energy Program. CV residents will start receiving notices about the program in their Rocky Mountain Power bills in November. They will have the opportunity to opt out until January when they will be automatically enrolled in the program and \$4 will be added to their monthly bills. At that time, they will have until May to opt out of the program after May there will be a \$30 termination fee. There is a free low-income program. Residents enrolled in the old net metering program (schedule 135) cannot participate.

CM Hill had Soward clarify that new net metering customers are encouraged to stay enrolled in the URC program.

CM Holland had Soward clarify the URC program RFP is for solar, wind, geothermal and hydroelectric and not coal, nuclear or carbon sequestration that are included in the State Clean Energy Act.

CM Holland is in favor of small-scale renewable energy projects, not the large-scale wind and solar projects that are environmentally detrimental and encourage growth and data centers.

Thompson asked how the BlueSky program works with this program. Soward said you can choose to do both or opt out of the URC program.

M Duncan thanked Soward for attending.

M Duncan stated she has a conflict of interest with her investments and will abstain from the vote.

CM Hill thanked CM Gibson for all her work with the URC. CM Hill added she would not have supported this if coal and nuclear were in the program.

CM O' Brien moved to adopt Ordinance 2026-1 adopting the Utah Clean Energy Program, CM Gibson seconded. M Duncan abstained. CM Hill voted Yay, CM Holland voted nay. Motioned passed 3/1.

7. Discussion and Possible Action re: Resolution 2026-1 Adopting the second Amended FY 2026 Budget. CM Hill explained that we are still waiting for the final bills for the Culvert, so this budget is our best guess. After speaking with the State Auditor, she assured us this was fine as our best guess. Also, the reimbursements will cross over our fiscal years.

CM O'Brien moved to approve Resolution 2026-1 Adopting the second Amended FY 2026 Budget, CM Gibson seconded motion passed unanimously.

8. Discussion and Possible Action re: Resolution 2026-2 Treasurer intends and states that the FY 2027

Budget includes a property tax increase. And the Public Hearing on the Tax Increase will be Wednesday August 12th at 6:30PM.

CM Hill stated Town of Castle Valley will consider an increase to its property tax rate from .000864 to .001345 (estimated) to generate an additional \$75,000. The following information is intended to provide decision makers and the public with an explanation of how the Town's operations would be affected if the proposed property tax increase is adopted.

Town of Castle Valleys Current Property Tax Rate	.000864
Town of Castle Valleys Current Property tax income	\$134850
Proposed Revenue with Tax Change	\$209,850
New Property Tax Revenue to Castle Valley	\$75,000
Estimated Increase to the Town of Castle Valley's Property Tax Revenue	55.62%
Estimated Increase to a primary residence of \$400,000	= \$105.72

CM Hill stated this is incorrect, it will actually be \$192.40

Buck stated the State comes up with the scenario \$400K amount not the Town.

<u>Affected</u>	<u>Proposed</u>	<u>Budget without</u>	<u>Budget Change</u>
<u>Department</u>	<u>Budget</u>	<u>Change</u>	
Administration	\$149,535	\$134,535	\$15,000

Impact of Tax Increase

Two Computer upgrades to Windows 11, Server storage upgrade, IT budget established Staff cost of Living increases. Water Agent position requiring more hours to fulfill increased duties establishing and administration of the Water Advisory Committee. As well as additional work in order to pursue goals in the Town's Water Management Plan.

<u>Affected</u>	<u>Proposed</u>	<u>Budget without</u>	<u>Budget Change</u>
<u>Department</u>	<u>Budget</u>	<u>Change</u>	
Roads	\$153,500	\$93,500	\$60,000

Impact of Tax Increase

Capital Roads projects i.e. Castle Valley Drive chip seal, road equipment repair and/or replacements, road material i.e. gravel.

Total General Fund Change: \$75,000

CM O'Brien and M Duncan discussed this is the same amount and same reasons the Town tried to get the tax increase last year.

CM Hill moved to approved: Resolution 2026-2 stating that the Town intends to have a property tax increase in the FY 2027 Budget; CM O'Brien seconded motion passed unanimously.

9. Discussion and Possible Action re: Resolution 2026-3 Presentation and Approval of the Property Tax Impact Schedule.

CM Hill moved to approve Resolution 2026-3 Approving the Property Tax Impact Schedule. With the correction to the estimated increase to a primary residence of \$400,000 is \$192.40 not \$105.72 provided by the State. CM O'Brien seconded the motion passed unanimously.

10. Discussion and Possible Action re: Resolution 2026-4 Adopting the Tentative FY 2027 Budget.

CM O'Brien moved to approve Resolution 2026-4 Adopting the Tentative FY 2027 Budget; CM Gibson seconded motion passed unanimously.

11. Discussion and Possible Action re: Payment of MBA CIB Loan for \$7350.

CM Hill moved to approve the payment of MBA CIB Loan for \$7350. CM O'Brien seconded motion passed unanimously.

12. Discussion and Possible Action re: Future of the Hazard Mitigation Plan and its requirements.

M Duncan explained the Plan requirements make it almost impossible for entities to do this their own without hiring a private contractor. She liked the Town doing our own because it helped identify our vulnerabilities and risks and come up with those mitigation strategies. It strengthens the Community whether or no it is FEMA approved. Maybe we should go in on this with the County, we are not sure of the cost involved in sharing the hiring of a private contractor. This Plan is required to "qualify" for FEMA

funding even though potentially the Town will never have enough damage to meet FEMA thresholds. Buck added the best part of the Plan process that took us 12 months was identifying doable projects and goals.

D. Honer agreed a considerable portion of our work on the Plan was checking boxes for the State. If we went with the County, they could check those boxes, and we could work on our own more focused Plan just for us.

Thompson and E Honer agreed we could do our own.

M Duncan stated and the Council agreed we should approve our Plan as it is for the Town and work with the County for their update in 2027,

13. Discussion and Possible Action re: Adopting Amendments to Ordinance 85-3 Ch.5.0 Land Use Wildland Urban Interface Zone

CM Hill moved to adopt the Amendments to Ordinance 85-3 Ch.5.0 Land Use Wildland Urban Interface Zone. CM Gibson seconded motion passed unanimously.

14. Discussion and Possible Action re: Adopting Amendments to Ordinance 95-6 Building Permit Processes Sec.1.1

CM Hill moved to adopt the Amendments to Ordinance 95-6 Building Permit Processes Sec.1.1

CM Gibson seconded motion passed unanimously.

UNFINISHED BUSINESS -None

15. Closed Meeting (If necessary)

16. Payment of the bills

CM O'Brien moved to pay the bills, CM Gibson seconded, and the motion passed unanimously.

ADJOURNMENT

M Duncan adjourned the Meeting at 8:06 PM

Approved:



Jazmine Duncan, Mayor

Attested:



Jocelyn Buck, Town Clerk