CASTLE VALLEY SPECIAL SERVICE DISTRICT
REGULAR MEETING
May 21, 2026

MEMBERS' PRESENT
TRENT JACKSON
SHAWNA HORROCKS
GARY PRICE
JORDAN LEONARD
TIM DOWNARD
JACK FUNK
DANNY VAN WAGONER
SHAUN BELL

STAFF PRESENT
JACOB SHARP
MERRIAL JOHANSEN
TINA DICKERSON
THOMAS SITTERUD

MEMBERS NOT PRESENT
BRAD GILES
LEONARD NORTON
JEFF TUTTLE

NON-MEMBERS PRESENT

Welcome by acting as Chairman Danny Van Wagoner on May 21, 2026, 7:00pm, at 20 S 100 E Castle Dale, Utah.

Roll Call: Trent Jackson, Shawna Horrocks, Gary Price, Jordan Leonard, Tim Downard, Jack Funk, Shaun Bell.

1. **Discuss/Approve/Deny: Minutes of April 16, 2026**
   Motion by Trent Jackson, seconded by Gary Price to approve the minutes of the March meeting. Motion carried by all present.

2. **Welcome New Board Member Jack Funk**
   For those who may not know him, Jack serves as the mayor of Emery. We're pleased to welcome him representing Emery Town.

3. **Discuss/Approve/Deny: 2025 Construction Projects and Related Matters**
   a. 2025 Curb & Gutter Project
      The 2025 construction projects are nearing completion. The remaining work involves curb and gutter improvements. B. Hansen Construction has completed the project, and a final inspection was conducted yesterday. A punch list was issued, consisting only of minor items that will be verified before final payment is released.
      The final pay estimate is $35,882.70, including $19,498.80 in retained funds, for a total payment of $55,381.50.
      The project was completed under budget due to the removal of several items. Change Order No. 1 decreases the contract amount by $65,074.84, with no change to the contract time.

      - Original Contract Amount: $490,933.50
      - Revised Contract Amount: $425,858.66

   Motion was made to approve change order number 1 by Gary Price, and seconded by Jordan Leonard, Motion was passed.

b. Project Budget Review

Based on the latest budget summary, the project is expected to finish slightly under budget and below the contract amount due to contract decrease. Final figures will be confirmed after the pay estimate is submitted to CIB and reconciled with their records.

Current estimates indicate there may be some remaining funds, though the exact amount has not yet been verified. Barring any significant changes, the 2025 construction projects are expected to be complete, and no further updates are anticipated.

4. **<u>Discuss/Approve/Deny: 2026 Construction Projects and Related Matters</u>**

a. Discuss/Approve/Deny: 2026 Street Projects

The 2026 Street Project is underway. Work has primarily focused on excavation and road preparation in Emery and Ferron, with asphalt paving yet to begin. The project is progressing, though somewhat slower than anticipated.

Pay Estimate No. 1 totals $159,517.51, with $8,395.66 retained.

The project has used approximately 45% of the contract time while completing about 23% of the contract quantities. Staff noted that progress should increase significantly once paving begins and will continue to monitor the schedule.

The contract allows 55 days from the April 20 start date, placing the anticipated completion date in mid-June. The contractor is expected to complete the project before the next meeting

b. Discuss/Approve/Deny: 2026 Waterline and Drainage Projects

Construction has begun on the Castle Dale drainage project, and crews also started work on a sewer line this week. Several photos in the packet show the progress made to date. No pay estimate was submitted this month because the contractor had only worked about four days before the billing cutoff. Work is moving forward, however, and additional pipe deliveries are expected this week. The board will review the materials budget and project status next month.

c. Discuss/Approve/Deny: Consideration and Award 2026 Surface Drainage Projects (Curb and Gutter)

The board also reviewed bids for the Surface Drainage (Curb and Gutter) Project. Two contractors submitted bids: B. Hansen Construction and Los Avilles Construction. B. Hansen submitted the lowest base bid at $262,079, approximately $11,000 lower than Los Avilles. While Los Avilles proposed a shorter completion time and would be the lower bidder if schedule incentives were included, staff recommended awarding the project based on the base bid. Unless the board wishes to prioritize the faster completion schedule, B. Hansen was recommended as the low bidder.

A motion was made by Shaun Bell and seconded by Tim Downard to award B. Hansen the 2026 Surface Drainage Project:Yes, Trent Jackson – Yes, Shawna Horrocks – Yes, Gary Price – Yes, Jordan Leonard – Yes, Tim Downard – Yes, Jack Funk – Yes, Shaun Bell – Yes. Motion passed.

d. 2026 Project Budget Review

Last month, Jacob had included the engineer's estimate for the curb and gutter project, which was used to calculate the contingency. Since the bids came in lower than the estimate, the budget was updated with B. Hansen's awarded bid amount.

As a result, the contingency increased by roughly $40,000–$50,000. There is approximately $120,000 in contingency against approximately $3 million in projects.
All contract amounts are current and up to date. Material costs remain a moving target and will be modified and updated.

5. **Discuss/Approve/Deny: 2026 – 2027 Health Insurance Renewal**

Health insurance is renewing at a 5.9% increase. The "CVSSD Medical Grid" compares our current and renewed plans. We also reviewed quotes for the older, traditional Regence plan the district carried out for many years, and premiums for that type of coverage have increased substantially. We have been on an HSA plan for about 15 years, and while our insurance representative has some concerns about future PEHP rate increases, he noted that a 5.9% increase is very favorable compared to current market trends. Comparable HSA plans from Select Health and Regence are significantly more expensive.

Delta Dental is increasing 7.5%, but this is the first increase in about six years and is part of a two-year agreement. Vision rates are decreasing slightly, and the proposed plan offers modestly improved benefits at a lower cost. The vision agreement is also for two years.
When combined, the overall increase for health, dental, and vision remains about 5%, which is very competitive. Staff recommends approval of the renewals effective July 1, 2026.

A motion was made by Jack Funk and seconded by Tim Downard to Approve the 2026 - 2027 Health Insurance: Trent Jackson – Yes, Shawna Horrocks – Yes, Gary Price – Yes, Jordan Leonard – Yes, Tim Downard – Yes, Jack Funk – Yes, Shaun Bell – Yes. Motion passed.

6. **Mangers Report**

a. Discuss/Approve/Deny: Revised Sick Leave Policy and Retirement Level Pay Policy

Last month, Jacob proposed revisions to the district's sick leave policy in anticipation of Keith Lawfully's retirement after 46 years of service.

The proposed changes would allow employees with at least 480 hours of accrued sick leave to qualify for a full retirement payout. Sick leave payouts would remain available only to retiring employees, not those who resign. Retirees could use the payout for COBRA insurance premiums, contribute it to a 401(k) or 457 retirement account (subject to IRS limits), or receive it as a taxable cash payment.

The revisions would also increase the sick leave accrual limit from 960 hours (120 days) to 135 days while keeping the maximum payout capped at 960 hours. The change would allow long-term employees to continue accruing leave for extended illness or injury without increasing the district's payout liability.

The board discussed whether employees should receive payouts for sick leave accrued beyond the current 960-hour cap. Some members supported larger payouts for employees who conserve leave, while others preferred maintaining the existing payout limit. Alternatives, including reduced payout rates for hours above the cap, were considered.

Following discussion, the board approved the policy revisions as presented

A motion was made by Gary Price and seconded by Tim Downard to Revised the Sick and Leave Policy, Trent Jackson – Yes, Shawna Horrocks – Yes, Gary Price – Yes, Jordan Leonard – Yes, Tim Downard – Yes, Jack Funk – Yes, Shaun Bell – Yes. Motion passed.

b. Discuss/Approve/Deny: Smith Annexation in Elmo Town

The board reviewed several pending annexations, including the Smith property in Elmo and property near Orangeville that may be developed by Valor. Members discussed recent statutory changes that allow a streamlined annexation process through landowner petitions. Additional annexations in Elmo, Orangeville, and along Bench Road were also discussed, with an emphasis on expanding the tax base and including areas already receiving district services. No action was taken.

7. General Operation Items

Jacob reported that Clawson City will cover an additional $1,430 for a sewer connection project. The board also discussed an upcoming meeting on inland port development and noted that drainage concerns on 100 East in Elmo had been resolved.

Mayor Jack Funk updated the board on Emery Town's water supply challenges and efforts to secure a reservoir. He reported that state officials, water experts, and other stakeholders will be invited to tour the system and help identify long-term solutions and funding opportunities.
The discussion covered Emery's water rights, treatment process, reservoir needs, and well water limitations. District staff agreed to assist with the tour and answer questions about the water system.
Staff also noted that without secondary water use, the settling ponds may become more stagnant and harder to treat this summer, though recently renovated ponds provide additional storage and flexibility.

8. Discuss/Approve/Deny: Vouchers

A motion was made by Gary Price and seconded by Tim Downard to approve the May vouchers, Trent Jackson – Yes, Shawna Horrocks – Yes, Gary Price – Yes, Jordan Leonard – Yes, Tim Downard – Yes, Jack Funk – Yes, Shaun Bell – Yes. Motion passed.

9. Adjourn

The motion was made by Gary Price and seconded by Tim Downard to adjourn. Motion passed.