Budget Meeting

Notes created on December 16, 2025 at 5:57 PM by Minutes AI

Start of Meeting

• Brent White calls the special meeting for the Brooklyn Special Service District to order.

• The meeting is held on December 16 at 6 p.m. at the Elsnore Town Hall.

• Attendees include Brent White, Debbie Barney, Valerie Hopper, Ralph Brown, Malcolm Nash, Matt Dyering, Cody Hanson, Tyler enrolled, Scott Hansen, and Parker from Johnson DeMille.

Approval of Minutes from Last Meeting

• There were discrepancies in the minutes, with two different versions both dated December 5th.

• One version mentioned approving the board minutes of November 25th, and the other mentioned a public hearing for the FY 2025 budget.

• There was a mistake on page 6 where it says Cody made the motion to accept, but it was actually Brent.

• There was a suggestion to require resumes and letters of recommendation from new residents.

• A motion was made to accept the minutes with corrections, which was seconded and passed.

Proposed Budget for Fiscal Year 2026

• The revenue total should be $4,840,000.

• The system improvement was brought down from $3,500,000 to $3,400,000 so that the total expenses is $4,000,000.

• "Normally, what you do is state law requires that a public hearing be held anytime a budget is adopted or amended."

Public Hearing

- The board chair formally announces that they are now in a public hearing to receive public input on the budget.
- Since no one from the public is present, the board members are asked if they have any questions or comments.
- If there are no comments, a motion will be made to close the public hearing.

Budget Approval

- Motion to approve the budget was made and seconded.
- All in favor said "aye."
- The budget will require some "tweaking," but it authorizes the board to spend money.

Transition to New Account

- The switch from the county account to the new account will occur on January 1st.
- On January 1st, the board can start writing checks and receiving money.

Construction Update

- Construction is progressing well.
- Work has started on 1150 South in the addition.
- After 1150 South, work will move to the north end and across Tony 200.
- Fire hydrants are being installed.
- Waiting on parts that will arrive in January to start services.

BABA and AIS Certifications

- Obtaining BABA and AIS certifications for all products is important.
- Matt Mullins from EPA is cautioning that an audit is possible.
- Silver Spur is cooperating with the certification process.

Line B Line Pre-Construction Meeting

• A pre-construction meeting is scheduled for tomorrow at 10 AM at the Jones Mill office.

• The meeting will focus on contract language, liquidated damages, and contractor responsibilities.

• Project-related elements, such as the plan to bore the road, may be discussed.

• Construction is planned to start the first week of January, around the 5th.

Stockpiling Equipment and Materials

• Equipment and materials should start arriving in the next week or 10 days.

• The county has parcels in the addition and Elsinore's yard on South Center Street for stockpiling.

• Easements through Hales and towards Sierra Vista (Parsons parcel) are also options.

Reimbursement Processing

• Processing the first reimbursement request was challenging.

• Silver Spur submitted two payment requests.

• Silver Spur was floating $550,000 and approaching a million dollars.

• The EPA initially stated they couldn't review the request until January 1st.

• The county gave Silver Spur the first two checks from the county as reimbursement.

Issues with Reimbursement Request

• Steve Wall, as the project owner for the county, lacked the credentials to submit the reimbursement request.

• The EPA initially required paper documents for review before online submission.

• A project accountant assigned through Jones & Mill is now working with the county on reimbursement requests.

Blue Stakes and Line Information

• A request for Blue Stakes was submitted for 1400 South on the east side.

• Trying to find information on the line going down 1150 South.

• Need to determine the location of the line near the house outside the addition on the southeast corner.

Construction Discussion

• They will get together in a few days to discuss the digging. Digging won't start until next week.

• There is more room on the south side, but they have to go into the road for every meter.

• There is an old, abandoned waterline on the south side.

• Lyndon and the speaker talked and pulled up the as-built, but there was no record of the waterline.

1150 East

• The speaker will paint where he and Brad walked the other day and let them know where they think it is, but they need to do potholes and extra exploration.

• The speaker suggests letting them hit it and then fixing it when they do.

1400 Conversation

• The GIS drawings show it coming in the field, straight east, and then coming out.

• The speaker notes that it doesn't go out in the field because they hit it and tore it out 10 years ago when they redid the line.

• They are going to take it on the south side of the road.

• The speaker will put some paint down and tell them he's not sure where it is, but here's their best guess.

Construction Issues

• The speaker says to tell them to lock all the crap because he already got stuff missing off his lawn.

- A plate compactor was stolen.
- Rat lost some stuff.

ADA Discussion

- The ADA things are just after the agenda on the next page.
- "Consider and approved prompt contract documents" is for the beine phase.
- Complete fraud risk assessment for 2025.
- One of these to each board members.

Fraud Risk Assessment Training

- They are going to use this as a training opportunity.
- This is to find out where the risks are in this district for fraud.
- "Does the entity have an adequate basic separation of duties or mitigating controls as outlined in basic separation of duties questionnaire?"
- They will answer the basic separation of duties questionnaire first.
- "Does the entity have a board chair, clerk and treasurer who are three separate people?"
    - He is the treasurer.
    - The speaker is the clerk.
    - Debbie is the secretary and will be one of the check signers, but she is not a board member.

Separation of Duties Questionnaire

- The people who receive cash/check payments are the same people who make general ledger entries.
    - Mitigating controls are in place because someone independent will review the financial statements monthly.
- The people who collect cash/check payments are the same people who adjust customer accounts.

- Mitigating controls are in place because someone else will be checking to make sure it's not just one person doing it.

- The people who have access to blank checks are the same as authorized signers.
    - Mitigating controls are in place because each check requires two signatures, and someone else will review all checks.

- Someone other than the clerk or treasurer reconciles all bank accounts, or original bank statements are reviewed by a person other than the clerk.
    - An independent person (not Debbie) will look at the bank statements every month.
    - A treasurer, clerk, or board member can do it.

Periodic Reports and Credit Cards

- Someone other than the clerk reviews periodic reports of all general ledger accounts to identify unauthorized payments.

- Original credit purchase card statements are received directly from the card company by someone other than the cardholder.
    - Not applicable if there is no credit card.
    - If there is a credit card, someone else looks at the statements to ensure expenditures are appropriate.

- Someone other than the credit purchase card holder ensures that all card purchases are supported with receipts.
    - Not applicable if there is no credit card.
    - If there is a credit card, someone else needs to review and make sure all receipts are attached to the statement.

- Someone who is not a subordinate of the credit purchase card holder reviews all card purchases for appropriateness.
    - Not applicable if there is no card today.

Payments and Payroll

- The person authorized to pay for goods/services (not the clerk) verifies the receipt of goods/services.

- The treasurer or board chair can ensure that what was paid for was received.

- Someone who authorizes payroll payments is separate from the person who prepares payroll payments.
    - Not applicable today, but yes if someone is paid for services next year.
- Someone reviews all payroll payments separate from the person who prepares payroll payments.
    - Not applicable since there is no payroll yet.

Basic Separation of Duties

- Does anybody have adequate basic separation of duties or mitigating controls as outlined in the separation of duties questionnaire?
    - Yes, because they've gone through the exercise.
- Do you have policies on these items?
    - Yes, because the policies were approved last month.
- Does the entity have a licensed or certified CPA as part of its management team?
    - No.
    - Cayman Row helped with some accounting stuff early on and has agreed to do whatever is needed.
- Do any members of the management team have at least a bachelor's degree in accounting?
    - No.
- Are employees and elected officials required to annually commit in writing to abide by a statement of ethical behavior?
    - They did a disclosure statement, but it wasn't signed.
    - This needs to be taken care of for January.
- Have all governing body members completed entity-specific training (online training)?
    - No, not yet.
    - This needs to be a checkbox for next year.
    - Training needs to be done every year.

- Does at least one member of the management team receive at least 40 hours of formal training?
    - No.
- Does the entity have to promote a fraud hotline?
    - Not required, but possible.
    - The district may want to talk to Jones and Mill about taking over the website or having it transferred.
    - The hotline could be used for anonymous reporting of issues.
    - Could tie into a state deal or use the county's hotline.
- Does the entity have a formal internal audit function?
    - No, not yet.

Audit Committee and Formal Audits

- The county doesn't have a formal audit committee right now.
- Formal audits depend on the amount of revenue the entity receives.
- An audit is not required this year because the district didn't spend any money, but it will be required next year.
- The risk assessment score is 245, placing the entity in a high-risk category. This assessment is done every year to make the board aware of weaknesses.

Risk Assessment and Training

- Training and figuring out the fraud hotline could easily move the entity to a moderate risk category.
- The CAO and CFO need to sign the risk assessment, and the state audit wants to know the board has reviewed it.

Meeting Schedule for 2026

- The meeting schedule needs to be published every year.

- The group is considering changing the meeting day to the third Thursday at 6 PM.
- Debbie will start sending out the invites.

Utah Public Website and CIB

- Follow up is needed to get authorized on the Utah public website.
- The speaker will contact Barbara about it.
- CIB reimbursement will start around the first of February.

Project Strategy and Potential Building

- A visit with Tyler Timmons is needed to discuss strategy, as there will likely be money left over.
- There is a need to expand the scope and consider buying land for a maintenance shop.
- The possibility of a centralized location to store materials and equipment is being considered.

Surplus Funds and Road Work

- There may be $1 million to $1.5 million in surplus funds.
- Road work is estimated to cost $300,000 and is already awarded.
- The speaker will provide an updated budget with more information.

CIB Meeting and Information Timeline

- Information needs to be provided to CIB before the February meeting.
- A discussion about CIB needs to happen before the Brooklyn SSD meeting in January.

Budget and Prioritization

- Need to get property, building, and equipment on the table.
- Meeting in early January to have budget numbers and prioritize.

- Prioritized list of items is preferred.

Meeting Schedule

- Change January meeting to the 6th at 6 p.m.
- Regular meeting will remain on the third Thursday, the 15th.

Fraud Assessment and Contracts

- Fraud assessment is high.
- Contracts with H and H have been approved.

Staff Appreciation

- Joseph Mill has done a great job.
- Coy is in the weeds making sure payment requests get processed properly.

January 6th Meeting Agenda

- Updated budgets for both pots of money.
- Cost estimates for previously discussed items.
    - Buying a loft or two and putting a building on it.
    - Equipment like a backhoe or mini excavator.
    - Connecting or running a water line from where they end on a line back towards the Austin side.

Water Line Considerations

- Running the rest of Metal Arc up and tying it in front of Staker's could provide better hydraulics.
- Still do the loop and then take it all the way up.
- Figure eight Sierra Vista.

• Hooking up to Austin could cause issues with chlorination due to differences in chlorination practices between Austin and Elsinore.

  • Austin chlorinates and Elsinore does not.

  • It drops your chlorine residuals.

Additional Items

• Tyler Tibens will be contacted to see if he can be available on January 6th.

• Need to finish up Freedoms town and asset transfers.

• Visited with Elsinore Town Council last week.

Proposed Wholesale Rate Structure Update

• The council and mayor were updated on the proposed wholesale rate structure.

• Elsinore reads the meters, and the district buys a total of 11 million gallons per month from them.

• Two options were discussed earlier in the year:

  • A higher dollars per thousand gallons rate.

  • A base rate of $2,500 per month, including the first million gallons, with tiered rates thereafter.

• Both options include a rate of $3 per thousand gallons when crossing the 6 million gallon threshold, and the rate doubles to $6 per thousand when crossing 6.6 million gallons.

Monthly vs. Annual Basis

• The rate is not calculated annually but on a monthly basis.

• Elsinore is penalized by the state based on capacity allocated.

• Peak usage is important because Elsinore must maintain a level of service to accommodate peak demand, as monitored by the state.

• A per-month basis is common for Elsinore's other customers.

Managing Water Usage

• The district needs to manage its water usage to avoid overuse.

• The 6.6 million gallon threshold is based on a 1.5 factor applied to the district's average usage to provide a buffer.

• Exceeding 6.6 million gallons in a month would be "painful" due to Elsinore's infrastructure limitations.

Potential Solutions and Concerns

• Using extra money for a tank may not be feasible, as Elsinore needs storage on the north end of town, not necessarily for the district's immediate needs.

• Water shares are valuable, and the possibility of purchasing them is being explored.

• CIB might allow funds to be used for water shares or drilling a well.

• The main problem is storage capacity, although well capacity is also a concern.

Well Upgrades and Water Rights

• Upgrading well pumps to increase pumping capacity is a possibility.

• Upgrading a well could cost around $100,000 to $150,000.

• The district owns a fair amount of water rights, but capacity is limited to 1200 gallons per minute.

• There are concerns about blending funds if a well upgrade benefits both Elsinore and the district.

Alternative Water Sources and Future Planning

• The possibility of the district having its own well is being considered, contingent on securing water rights.

• The canal company will be discussing water rights.

• The current plan is good for 30 years, according to a study.

• There is a desire to avoid exceeding 6 million gallons per month and to find ways to supplement water supply if approaching that level.

Annexation and Development Concerns

• New subdivisions are being planned in the area, potentially outside the district boundary.

• The district has a protected boundary, and new developments would need to annex in.

• There are concerns about serving developments outside the district boundary.

Water Issues and Subdivisions

• Can't buy water for underground if others can't.

• Concerns about wells for 30-50 lots becoming a public system.

• Health department allows smaller lots if septic is taken care of.

• Concerns about contamination of water source from multiple septic systems in gravel.

County Role and Regulations

• How does the county protect everyone from subdivisions?

• Initially, 5-acre lots were expected to drill individual wells.

• Lot sizes have been reduced to acre and a half with sufficient frontage and septic safety circle.

• Question of proving water availability before development.

Well Regulations and Moratorium

• Distance requirements between septic and well depend on the ground.

• Meeting in January with Brooklyn Canal Co. to discuss water issues.

• There's a moratorium affecting water purchases.

• "That moratorium also affects us so that we can't buy any water."

City Review and Next Steps

• Waiting for the city to review the issue.

• Need to ensure everyone is in agreement.

• Mayor wants to finalize the issue to clarify everyone's position.