CASTLE VALLEY SPECIAL SERVICE DISTRICT
REGULAR MEETING
July 16, 2026

MEMBERS' PRESENT		STAFF PRESENT
BRAD GILES	TIM DOWNARD	JACOB SHARP
JEFF TUTTLE	DANNY VAN WAGONER	MERRIAL JOHANSEN
TRENT JACKSON	SHAUN BELL	TINA DICKERSON
SHAWNA HORROCKS	JORDAN LEONARD	THOMAS SITTERUD
GARY PRICE	LEONARD NORTON	(By Phone)
	JACK FUNK (By Phone)	

MEMBERS NOT PRESENT **NON-MEMBERS PRESENT**

Welcome by Chairman Brad Giles on July 16, 2026, 5:00pm, at 20 S 100 E Castle Dale, Utah.

Roll Call – Jeff Tuttle, Trent Jackson Shawna Horrocks, Gary Price, Tim Downard, Danny Van Wagoner, Shaun Bell, Jordan Leonard, Leonard Norton, Jack Funk (By Phone)

1. **Discuss/Approve/Deny: Minutes of June 18, 2026**

   Motion by Leonard Norton and Seconded by Danny Van Wagoner.to approve the Minutes for June 18, 2026, Motion Passed

2. **Audit Presentation: Smuin, Rich, and Marsing**

   The auditor apologized for missing the previous meeting and thanked Jacob Sharp and Tina Dickerson for their assistance during the audit, recognizing Tina for stepping into her role shortly before the audit began.

   The auditor reported that the district received an unmodified (unqualified) audit opinion, indicating the 2025 financial statements fairly present the district's financial position.

   Financial highlights included a slight decrease in total revenue, a $1.61 million increase in net position, issuance of a $1.64 million bond for capital improvements, decreased expenditures, and a 3.96% increase in property tax revenue. The auditor explained that property tax revenue fluctuates based on year-end collections and receivables reported by the county.

   The auditor noted the district remains in a strong financial position, reviewed capital assets, long-term debt, and pension reporting, and confirmed the district's 2018 and 2019 general obligation bonds were paid off during 2025.

   The auditor also reported the district complied with all state compliance requirements with no findings. He noted there were no disagreements with management and only minor audit adjustments, which were promptly corrected. The board thanked the auditor and staff for their work.

   A motion was made by Leonard Norton and seconded by Danny Van Wagoner to approve the 2025 Audit presented by Sumin, Rich, and Marsing. Motion was carried.

3. **Discuss/Approve/Deny: Ferron City Outside Culinary Water Connection (Ewell)**

Jeff Ewell requested approval for a new culinary water connection to serve a proposed home sit on property owned by Troy Anderson, located outside Ferron city limits. Ewell explained that his son and daughter-in-law hope to purchase the property and relocate to Emery County, but the parcel currently has no culinary water service.

Jacob explained that connecting to an older private water line was not recommended. Instead, the proposed connection would be made to the district's main line near the city limits on Dutch Flat Road, approximately 150–200 feet from the existing hydrant. A 1-inch meter would be installed by the district, and the applicants would construct and maintain approximately 2,400 feet of new 2-inch private water line across private property to the parcel. No additional connections would be allowed to the private line.

Garrett confirmed the proposed meter location is within the city limits and that the applicants would be responsible for obtaining all necessary easements from the affected property owners before construction.

Jeff Ewell reported that the Ferron City Council had unanimously approved the request. Board members noted that the application should be completed and accompanied by documentation of the city's approval and verification of the required easements before final district approval. Ewell stated they wanted to secure water approval before proceeding with the property purchase, as the land has little development value without culinary water service.

A motion was made by Gary Price and seconded by Leonard Norton to approve the water connection for Jeff Ewell. Motion carried.

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

a. Discuss/Approve/Deny: 2026 Chip Seal Project

Jacob reported that the chip seal project is substantially complete. Since the last meeting, the contractor completed asphalt repairs, chip sealing, and nearly all fog sealing. Remaining work includes a short section of fog seal, striping, and final manhole and valve adjustments. The contractor is expected to complete the remaining work by the project deadline.

Jacob reviewed Pay Estimate No. 1 in the amount of $423,391.28, with 5% retainage withheld. The board discussed quantity adjustments, noting chip seal quantities were higher than anticipated and that one asphalt overlay item had not yet been included in the contractor's quantities. Jacob reported the project is currently slightly over estimated quantities but remains within the overall project budget due to the favorable bid price

b.Discuss/Approve/Deny: 2026 Street Project

As a reminder, the project was substantially completed by the time of the last board meeting. A final inspection was held on June 24, and the punch list was sent to the contractor. Jacob has since confirmed that the remaining punch-list items are complete.

The final pay estimate is $170,998.93, with $28,639.91 in retainage being released, for a total voucher payment of $199,638.83.

Change Order No. 1 will finalize the project with a net increase of $19,594.93. Major adjustments included additional three-inch asphalt, excavation, and raised valve boxes, offset by underruns in two-and-a-half-inch asphalt, base course, and other items. No additional contract days are needed.

The revised contract amount will be reflected in the budget and will be considered when reviewing the remaining contingency.

Brad Giles will entertain a motion to approve Change Order No. 1 in the amount of $19,594.93

A motion was made to approve Change Order #1 for the 2026 Street Project, by Leonard Norton and seconded by Gary Price. Jeff Tuttle – yes, Trent Jackson – yes, Shawna Horrocks – yes, Gary Price – yes, Tim Downard – yes, Danny Van Wagoner – yes, Shaun Bell – yes, Jordan Leonard – yes, Leonard Norton – yes, Jack Funk – yes. Motion carried.

c. Discuss/Approve/Deny: 2026 Waterline and Drainage Project

Work in Castle Dale is nearly complete, with only asphalt repairs and valve concrete remaining. The crew has moved to Orangeville, where the main water lines are nearly finished. Disinfection, service connections, and mainline tie-overs will begin next week.

The crew will then move to Cleveland for valve installation before continuing in Elmo, Ferron, and Huntington. The project is progressing well but appears slightly behind schedule.

The Castle Dale Valley View tie-over was particularly difficult, requiring work until about 2:00 a.m. and a water shutdown most of the day.

At Esquire Estates, the trailer park tie-in was completed. The existing valve station has separate north and south tie-ins; the north is metered, while the south is not. A valve was installed to allow a meter to be added later. Final asphalt repairs are still being discussed due to the poor condition of the existing roads.

Overall, the work clarified the main line layout and will allow the north and south sections to be isolated separately in the future.

Pay Estimate No. 1 or No. 2: $168,813.67, with $8,884.93 in retainage.

d. Discuss/Approve/Deny: 2026 Surface Drainage Project (Curb and Gutter)

No start date yet on curb and gutter, so it will be bypassed at this time. Materials have been ordered and updated.

e. 2026 Project Budget Review

Nielsen construction contract reflects the change in order we just made. On the City Streets line item, you can see the original contract amount in bold, along with the new contract amount in the main field and the difference between the two.

Material costs are up to date. We budgeted $625,000 and are currently at about $586,000, leaving roughly $40,000 under budget. As far as we know, all materials have been purchased, although we'll continue to monitor for any additional costs as the project progresses.

All other numbers are also up to date. The change order reduced our contingency by about $20,000, leaving us with roughly $85,000 in contingency. That's the current update on this year's construction project budget

5. **Managers' Report**

a. Discuss/Approve/Deny: Update on County mineral lease revenue assistance.

We approved a letter last month requesting mineral lease revenue assistance and delivered it to Jordan's office. The county responded quickly, and we have now received the full $225,000 we budgeted for mineral lease revenue. We appreciate the county's support.

The board will continue to monitor future mineral lease opportunities, including potential activity near Fossil Rock and drilling near Suffco. The current Suffco activity is outside our county, but we'll keep an eye on any developments that could affect our area, including water resources.

b. Discuss/Approve/Deny: Secondary water discussion and update

Secondary Water Report Summary

Most communities are conserving well, but critically low reservoir levels raise concerns about how long water deliveries will continue.

Ferron: 348 AF allotted; 181 AF used; ~166 AF remaining.
Clawson: 45 AF allotted; 26 AF used; ~18.5 AF remaining.
Orangeville: 233 AF total; 48.1 AF used since July 1; ~119 AF remaining.
Castle Dale: 286.6 AF used to date; 63.8 AF since July 1; ~156 AF remaining. At current use, Orangeville and Castle Dale could have water into September.
Cleveland: 223.9 AF available for secondary water; 91.3 AF used; ~132 AF remaining. Excellent conservation.
Elmo: 234 AF available for secondary water; 113.88 AF used; ~120 AF remaining.
Huntington: More than 400 AF remain and conservation has been strong.

Despite remaining allotments, some communities may not be able to use all their water.

Overall, the county's cities and towns deserve credit for conserving water and taking the situation seriously. The board will revisit this in August.

6. **General Operational Items**

- It has been reported that lagoon odors in Huntington are primarily weather-related. Bacteria and aerators are being used to restore lagoon conditions, with longer-term options being considered.
- Cleveland requested a secondary water connection for landscaping. It was recommended the town purchase a water share and pay applicable connection costs.
- Discussed secondary water conservation, noting Cleveland is doing well, and reminded residents that excessive use will be addressed.
- Weed spray is available for gutter and sidewalk cracks; towns should contact the district before pickup.
- There has been an update on Emery Town's water issues and continued efforts to secure funding for studies and engineering.
- It was requested for the Emery County Pre-Disaster Mitigation Plan resolution, with formal ratification to be placed on the next agenda.
- Towns were reminded to submit next year's project requests by August for September cost estimates, with final submissions due October 1.
- The board reviewed second-quarter financials. Revenues were below budget due to timing of tax, mineral lease, and user-fee receipts. Expenditure was generally on track. The debt service

fund was fully expended, and a year-end budget amendment will be needed for an interest expense adjustment.

7. **Discuss/Approve/Deny: Vouchers**

A motion was made to approve July vouchers by Gary Price and seconded by Tim Downard, Jeff Tuttle – yes, Trent Jackson – yes, Shawna Horrocks – yes, Gary Price – yes, Tim Downard – yes, Danny Van Wagoner – yes, Shaun Bell – yes, Jordan Leonard – yes, Leonard Norton – yes, Jack Funk – yes. Motion carried.

8. **Adjourn**

A motion was made to adjourn by Trent Jackson and seconded by Leonard Norton, motion carried.