

SEPTEMBER 2026 BOARD MTG

APPROVED: 10/8/2026

Meeting Call to Order

A motion was made by Brady Morris to call the Lake Point Improvement District regular business meeting to order at 7:05 p.m. on September 10, 2026, at the Broken Arrow Conference Room and was seconded by Todd May.

ROLL CALL: Brady Morris, Ryan Dedelow, Todd May, Kolby Lloyd, Jeff Caldwell, Keith Fryer, Terre Marshall, Randy Trimble. Visitors: Joseph Worthlin from Zions Bank and Gabby from Ward Engineering

The board reviewed the minutes from the August 13 meeting for potential corrections. Several errors were identified and corrected regarding aerator run hours and the spelling of Tooele County in the final sentence. The board approved the August 13 minutes with specified grammatical and accounting corrections.

Equipment and Maintenance Updates:

- Jesse Johnson has acquired personal protective equipment for his role.
- Jesse and electricians inspected the aerators and pumps; they determined that while the pump functions, it fails to sequence or cycle correctly through all stages.
- It was determined that one aerator motor is bad due to wiring issues, which can be repaired via boat access.
- An insurance auditor visited recently and reported that everything appeared to be in good order.

Infrastructure and Road Settlement Issues

- There are significant settlement areas located on a cul-de-sac near Rock Hollow Road. The asphalt has settled around a sewer manhole, though the manhole itself remains stable. The city has marked areas for asphalt replacement and is requesting cost participation from the district.

Financial Review and Expenditures

Treasurer, Terre Marshall, presented check numbers 4869 - 4879 totaling \$16,862.68.

- Significant payments included \$1,079.88 to Rocky Mountain Power and \$3,500 to Zions Bank for a rate study.

Financial Updates

Keith provided an overview of the current budget, noting that income is at 69.9% while expenses are slightly high at 72.3%. The net ordinary income shows a deficit of -\$42,299.05. Regarding the balance sheet:

- Ratepayers checking holds \$12,106.26.
- Impact fee checking holds \$10,884.00, with a recent deposit from Pro Industrial.

Operator Roles and Transition Planning

- A discussion occurred regarding the division of labor between Keith Fryer and Jesse Johnson between maintenance and operations/sampling duties.
- Keith Fryer expressed concerns about plant operation accuracy but agreed to provide an outline of his routine tasks to assist in the transition.
- Randy Trimble will handle day-to-day maintenance tasks like Blue Stakes approvals and valve operation while Jesse manages state reporting once a month.
- Keith will continue managing commercial billing but need to coordinate with Oquirrh Mtn Water.

Zions Bank Rate Study

The board reviewed financial reports and a 10-year Zions Bank rate study to address upcoming infrastructure costs.

Zions Bank Rate Study Presentation

- Joseph from Zions Bank presented a 10-year financial model looking at upcoming project costs which utilizes a 10-year model looking at expenses through 2036 to establish future rates. The model tracks days cash on hand (targeting 150 days) and debt service coverage ratios (targeting a minimum of 1.25) to ensure stability.
- Large future expenses include a potential phosphorus removal treatment system within the next decade.
- Joseph noted that projects scheduled past 2036 are not included in this specific model.

Rate Increase Scenarios and Bonding

- A "do nothing" scenario shows the organization running out of cash within two years.
- Raising rates without bonding would require massive increases, potentially reaching \$665 every six months by 2030.
- The board discussed using bonds to spread out costs, though debt coverage ratios must remain above 1.25.

- Members explored various combinations of rate hikes and bonding to avoid extreme shocks to residents.

Commercial Fees and Property Taxes

- The board discussed increasing fees for commercial users who utilize RV dumps, such as Holiday Oil and Flying J.
- Discussion was held regarding current residential rates being significantly lower than the Utah state average.
- Property tax revenue is projected to be approximately 43,000 dollars based on current growth.
- The board noted that they have historically maintained the lowest possible property tax rate.

3363 The board discussed rate increases, regionalization strategies, and infrastructure project planning to address upcoming regulatory requirements.

Rate Planning

A financial model was discussed to evaluate potential sewer rate increases. The discussion focused on balancing the need for revenue against resident affordability.

- **Rate Scenarios:** The board considered various models, including a proposed increase to \$100 every six months starting in March 2027. It was noted that current rates remain well below the average of \$240 to \$300 per year.
- **Implementation:** The board aims to have new rates in place by the time bills are sent out in March. There is a need to confirm the specific legal notice requirements for public hearings.

Infrastructure Projects

The group reviewed long-term capital improvement needs and the impact of federal mandates on future costs.

- **Regionalization:** discussed the potential for a regional sewer treatment system within the valley. This could involve petitioning the state for financing related to nuclear power/waste funds, which might offset costs for a new plant.
- **Regulatory Mandates:** discussed upcoming phosphorus and ammonia removal requirements expected in the next permit renewal. While these are federal mandates, the board is looking at how to spread the estimated \$1 million cost over several years to mitigate rate spikes.

Lagoon Aeration and Phragmites Project

The meeting addressed technical specifications, procurement strategies, and scheduling for the lagoon aeration and maintenance project. Phragmites removal and lagoon maintenance were central to the discussion.

- It was suggested to hire a herbicide specialist used by Stansberry Park to spray Phragmites in the fall rather than dredging them out immediately.
- While spraying can kill the growth, there is concern regarding how to treat plants that are floating or located in the middle of the lagoons
- Even if killed, the debris will likely require mechanical removal or dredging.

Aeration system upgrades involve installing 12 new units at pond number one to increase capacity for future developments.

- The new units feature NEMA-rated control panels that can be installed next to the lagoons, allowing for autonomous operation in various weather conditions.
- Because existing electrical switches are rusted, the electrical engineer has included replacement of these components in the design.

Procurement Logistics: Decisions regarding equipment procurement involve balancing cost savings against liability risks.

Electrical infrastructure changes include replacing a transformer via Rocky Mountain Power.

- The contractor must provide a new pad (estimated at seven by nine feet) and provide temporary power via a generator so that pumps remain operational during the transition.
- There is potential interference with an existing sewer line near the pad, though current observations suggest it may not run directly underneath it.

Timeline and Budgeting

The total estimated project cost is \$886,000, utilizing both impact fees and ratepayer money.

- The preliminary schedule aims for a solicitation period starting September 21 with a target contract signature by November 30/December 1.
- The group debated whether the substantial completion date of April 13 is realistic given the potential 17-week manufacturing delay; it was suggested moving this target toward May 1 to provide a buffer for installation after equipment arrival.

20027 Budget Planning

The meeting focused on planning the 2027 budget process and discussing upcoming project impacts.

- The budget cycle includes a draft due in October, a preliminary version in November, and a final version in December.
- The team plans to use the recent amended budget as a baseline for the 2027 projections.

Projected Adjustments

- Significant changes are expected due to new construction and increased staffing, such as the additions of Randy, Jesse, and Tom Toronto.
- Costs related to power bills and chemical fees are anticipated to increase significantly.
- Terre will run reports from QuickBooks regarding expenditures to assist with the planning process.

Adjournment: A motion was made by Brady Morris to close the meeting and the motion was seconded by Ryan Dedelow and approved by all board members.

ACTION ITEMS:

- Repair the failed aerator motor wiring by taking the boat out to the aerator and fixing the wiring.
- Document the permit-required sampling and reporting procedures, including the routine duties and schedule, to support the transition of day-to-day operations.
- Remove Oquirrh Mtn materials from Keith's computers, clean it up, and take it to the Regional pump station.
- Ensure a desk and cabinet area available at the pump station when the computer is delivered.
- Show Randy how to collect the meter data and include the calculation process used to convert the data for commercial billing.
- Verify which listed projects on the Rate Study are funded by impact fees vs rate payer fees, adjust the rate-study model, and send an updated version tomorrow.

- Review the applicable manual to confirm the public-hearing notice requirements for the the sewer-rate increase and report back at the next meeting.
- Send the updated rate model and detailed project lists, including the consultant list and the more detailed project information to the board contacts for internal review.
- Contact the recommended herbicide contractor or relevant contact to obtain details about spraying the phragmites, including treatment approach and timing.
- Include post-treatment phragmites cleanup and removal in the the project contract after the plants have died.
- Call the State of Utah Auditor's office to confirm whether the project contract may extend beyond year-end while still preserving the funding and report back on guidance.
- Include replacement of the existing rusted aerator switches in the electrical project scope
- Add a contract requirement for the contractor to provide temporary power so the pump remains operational during the transformer replacement.
- Review both the technical and electrical specification packages for the aerator project.
- Provide Brenden with facility keys by tomorrow so he can access the aerator without contacting staff.
- Randy - Prepare a rough cost estimate for chorine shed materials and email it to the appropriate district contacts for approval before purchasing.
- Run QuickBook reports covering current expenditures, including costs related to new hires and construction, to support the 2027 budget review.