

**CASTLE VALLEY SPECIAL SERVICE DISTRICT  
REGULAR BOARD MEETING  
JUNE 25, 2015**

**MEMBERS PRESENT**

VARIAN ALLEN

BRAD GILES

HILARY GORDON

ETHAN MIGLIORI

GARY PRICE

ROGER SWENSON

MICHAEL TAYLOR

JEFF TUTTLE

**STAFF PRESENT**

JACOB SHARP

CRAIG BUNNELL

MERRIAL JOHANSEN

DIANE HAGARA

**MEMBERS NOT PRESENT**

BRENT HADFIELD

TRENT JACKSON

KENT WILSON

Welcome by Chairman, Brad Giles at 7:00pm.

1. **Review and Approval of Minutes of May 21 and May 26, 2015**

Motion was made by Hilary Gordon and seconded by Jeff Tuttle to approve the minutes of May 21 and May 26. All those present voted for.

2. **Public Comments – Comments From the Public on Items Not on Agenda**

There were none.

3. **Discussion and Approval of Transfer of Reserve Funds**

Jacob reminded the board that last month, the auditor recommended transferring the District's reserve funds for the Straight Canyon WTP and Huntington WTP from the General Fund to the Capital Projects fund. This will remedy the issue of the District's Fund Balance being more than it should be in the General Fund account.

Motion was made by Hilary Gordon and seconded by Varian Allen to approve the transfer of these reserve funds from the General Fund account to the Capital Projects Fund account.

Motion carried by roll call vote: Jeff Tuttle – yes; Varian Allen – yes; Michael Taylor – yes; Hilary Gordon – yes; Ethan Migliori – yes; Gary Price – yes.

4. **Discussion and Approval of Release of 2014 Drainage Retainage**

Jacob stated that the District has been holding Nielson Construction's retainage from last year until they made repairs on asphalt patching. They completed those repairs this spring. The amount is \$17,270.17 plus any interest that has accrued on their account.

Motion was made by Gary Price and seconded by Hilary Gordon to approve the release of this retainage. Motion carried by roll call vote: Jeff Tuttle – yes; Varian Allen – yes; Michael Taylor – yes; Hilary Gordon – yes; Ethan Migliori – yes; Gary Price – yes.

5. **Discussion of 2015 Construction Projects**

a. **2015 Streets Project**

Jacob stated that this project is complete. There was a final inspection. Nielson Construction is completing their punch list items.

Brad asked about the weeds on 500 East, Castle Dale.

Jacob stated that they cut out crumbled asphalt with grass and will have weed kill put there to kill the grass.

Jacob explained that the contract is approximately \$22,000 over. \$14,000 of that was added work in Huntington where additional structural fill was done. The remaining overages are contract overruns. There were several valve reconstructs added.

Partial Pay Estimate #3 is in the amount of \$20,763.81 with \$1,092.83 being held in retainage. They are 106% complete and 96% complete on time used. This should be wrapped up by next board meeting.

b. **2015 Curb & Gutter Project**

Jacob stated that B Hansen Construction has completed work in Emery and Ferron. Clawson is close to being complete. They will then move on to Huntington and Elmo. They are running behind schedule and have some rain days coming to them.

Pay Estimate #2 is in the amount of \$67,185.98 with \$3,536.10 being held in retainage. They are 44% complete and 65% complete on time used.

c. **2015 Drainage Project**

Jacob stated that Nielson Construction will get started on this project shortly after the pre-construction meeting next Monday. They will be starting in Orangeville and then moving to on Ferron.

d. **2015 Chip Seal Project**

Jacob informed the board that Nielson Construction is nearly complete with the prep work in Ferron. There is no pay estimate. The chip pile by the gravel pit road was completely contaminated. They are taking the chips to their wash plant to clean them before use.

e. **Discussion of SCADA Project**

Jacob stated that he received a quote from Filter Tech Systems (the contractor for the Ferron WTP equipment). Their quote, which doesn't include the radio towers, was two times the amount that ECI quoted.

Jacob will meet with ECI to review their quote and should have a recommendation by next board meeting.

6. **Discussion of the New City Hall Project**

Jacob updated the board on the June 11<sup>th</sup> meeting with the Community Impact Board regarding the modified plans for the new City Hall/multi-agency building.

Jacob announced that we were successful in getting a half grant, half loan structure. The loan amount is \$1.619 million, with 2.5% interest, for a term of 30 years. The District's portion will be \$486,000 before interest, with an annual payment of approximately \$23,000, including interest. We will need to finalize the structure of the loan with the Community Impact Board, since it involves three entities.

The three entities will be meeting with the architect and design team next Monday to discuss the timeline and process of the design and bid.

7. **Discussion of the Ferron Water Treatment Plant Project**

Jacob announced that Johansen & Tuttle Engineering indicated they will have the design done by our next board meeting. They are still working on plans.

Jacob stated that, as discussed last month, the District will purchase the steel building that will house the water treatment plant. The purchase price is \$124,433. This requires a down-payment of \$31,108.25 (25%). This down-payment is noted on the vouchers.

We are required to go through the Division of Drinking Water for approval. This is at least a 30 day process. This process has not yet started.

Motion was made by Hilary Gordon and seconded by Michael Taylor to approve the purchase of the building and a 25% down-payment this month. Motion carried by roll call vote: Jeff Tuttle – yes; Varian Allen – yes; Roger Swenson – yes; Michael Taylor – yes; Hilary Gordon – yes; Ethan Migliori – yes; Gary Price – yes.

8. **Manager's Report**

a. **Approval of Health Insurance Renewal**

Jacob reviewed the District's Health Insurance renewal. Staying with the same plan will be a 2.9% increase.

Jacob explained that our broker, Banasky Insurance, has looked at different carriers and there were no comparable plans offered. The traditional Blue Cross plan, that the District had a few years ago, would be 6% higher than our renewal rate. The deductible and out-of-pocket maximums are going up on all plans.

Jacob recommended the renewal of the plan this year. Our renewal is July 1, 2015.

Motion was made by Hilary Gordon and seconded by Roger Swenson to approve the renewal of the District's Health Insurance. Motion carried by roll call vote: Jeff Tuttle – yes; Varian Allen – yes; Roger Swenson – yes; Michael Taylor – yes; Hilary Gordon – yes; Ethan Migliori – yes; Gary Price – yes.

b. **Discussion of 2014 Water Production Costs**

Jacob reviewed the Water Production Cost spreadsheet for 2014. Over two years, we had a 3% increase in costs and a decrease in water usage in 2014 by 16%.

Jacob suggested doing this analysis again next year to see where we stand.

c. **Discussion and Approval of the 2015 Certified Tax Rates**

Jacob reviewed the Certified Tax Rates. These numbers were approved in the Commission meeting on June 16. He explained that the tax rate will go down, but the revenue will increase slightly.

Motion was made by Varian Allen and seconded by Jeff Tuttle to approve the 2015 Certified Tax Rates. Motion carried by roll call vote: Jeff Tuttle – yes; Varian Allen – yes; Roger Swenson – yes; Michael Taylor – yes; Hilary Gordon – yes; Ethan Migliori – yes; Gary Price – yes.

9. **General Operational Items**

There were none.

10. **Approval of Vouchers**

Motion was made by Jeff Tuttle and seconded by Roger Swenson to approve the vouchers.  
Motion carried by roll call vote: Jeff Tuttle – yes; Varian Allen – yes; Roger Swenson – yes;  
Michael Taylor – yes; Hilary Gordon – yes; Ethan Migliori – yes; Gary Price – yes.

Motion was made by Hilary Gordon and seconded by Gary Price to adjourn the meeting at 8:00pm. All those present voted for.