



P.O. BOX 840490 320 E. NEWEL AVE. HILDALE, UTAH 84784 PHONE: 435-874-1160 FAX: 435-874-2603

NOTICE

*The Utility Board will meet on Thursday, August 29th, 2019, at 6:00 p.m. M.D.T.
At 320 East Newel Avenue, Hildale, Utah 84784.*

AGENDA:

1. Call to Order
2. Prayer & Pledge of Allegiance
3. Video Training on Meeting Laws
4. Approval of Minutes from July 25th 2019 Meeting
5. Public Comment
6. Consideration of Utility Waiver Requests
7. Director Report
8. Financial Report
9. Financial Performance Assessment and Review for Fiscal Year 2019
10. Review Strategic Objectives for 2020
11. Consideration and Possible Action on Gas Department Sales Initiative
12. Consideration and Possible Action on Temporary Labor Program
13. Adjournment

Agenda items and any variables thereto are set for consideration, discussion, approval or other action. The Utility Board may, by motion, recess into executive session which is not open to the public, to receive legal advice from the their attorney(s) on any agenda item, or regarding sensitive personnel issues, or concerning negotiations for the purchase, sale or lease of real property. Board Members may attend by telephone. The Agenda may be subject to change up to 24 hours prior to the meeting. Individuals needing special accommodations should notify the City Recorder at 435-874-2323 at least three days prior to the meeting.

Utility Departments of Hildale/Colorado City

Utility Board Meeting Minutes
320 East Newel Ave, Hildale Utah
Thursday, July 25, 2019 6:00 P.M.

Present: Utility Board

Board Members:	Present	Absent	Excused
Haven Barlow	X		
Sterling Jessop, Jr.	X		
Ralph Johnson	X		
Arvin Black	X		
Jason Black	X		
Nathan Burnham	X		
JVar Dutson	X		
Stacy Seay	X		
Michael Cawley	X		

Staff Present: Harrison Johnson, Weston Barlow, Vance Barlow, Vincen Barlow

Public Present: Nelda Hammon, Sarah Ventre

#1 Call to Order /Roll Call

Meeting called to order at 6:00 p.m. Roll was taken, quorum present.

#2 Prayer and Pledge of Allegiance

Nathan Burnham offered a prayer and the crowd joined in the pledge of allegiance.

#3 Approval of Minutes of Previous Meetings

No corrections noted.

**Nathan Burnham moved to ratify the minutes of the June 25, 2019 meeting.
JVar Dutson seconded. Roll call vote:**

Board Members:	Yes	No	Abstain
Haven Barlow	X		
Sterling Jessop, Jr.	X		
Ralph Johnson	X		
Arvin Black	X		
Jason Black	X		
Nathan Burnham	X		
JVar Dutson	X		
Stacy Seay	X		
Michael Cawley	X		

Motion carried.

Ralph Jonson informed the Utility Board that the Town Council of Colorado City did not approve item #13 when they ratified the minutes of this meeting.

#4 Public Comment

Nelda Hammon addressed the board regarding the issue of the sewer fee charged to new, smaller families moving into the larger homes that previously housed very large families with significantly higher water usage. She proposed a policy be implemented to aide these smaller families.

Harrison pointed out that this has been a problem for a number of families. The only usage that the Department has to base the bill off of is the usage of the previous occupant. Harrison is planning on presenting a change to the sewer rate regulation next month to address the issue.

#5 Consideration of Utility Waiver Requests

None

#6 Managers Report

Harrison presented on number of accounts billed, Gas Department annual leak survey, fire incidents, Utah Division of Drinking Water Grant, and the resignation of Utility Billing Clerk.

#7 Financial Report

Board members were provided with expenditures with comparison to budget for the month ending June 30, 2019 and invoice register for review. There was lengthy discussion on the need to maintain systems, even though a budget deficit is predicted.

JVar Dutson moved to pay the bills as they become due and the funds become available.

Jason Black seconded. Roll call vote:

Board Members:	Yes	No	Abstain
Haven Barlow	X		
Sterling Jessop, Jr.	X		
Ralph Johnson	X		
Arvin Black	X		
Jason Black	X		
Nathan Burnham	X		
JVar Dutson	X		
Stacy Seay	X		
Michael Cawley	X		

Motion carried.

#8 Consideration and Possible Action on Gas Distribution Pre-Operations Policy

A policy cannot be made without further input from other Departments, but a gas distributions pre-operations checklist and workplace safety inspection form were created in hopes of assuring workplace safety.

#9 Consideration and Possible Action on Executive Session Disclosures

Harrison has noticed that not having access to executive session minutes, where pending litigation or personnel matters have been discussed, has created a lack of information that could be useful in his position. If allowed access, Director and City Manager would be under the same confidentiality requirements as members invited to the sessions. This has been discussed with the

City Attorney.

Stacy Seay moved to allow the Utility Director and City Managers access to the Executive Sessions handled by the Hildale City Recorder.

Jason Black seconded. Roll call vote:

Board Members:	Yes	No	Abstain
Haven Barlow	X		
Sterling Jessop, Jr.	X		
Ralph Johnson	X		
Arvin Black	X		
Jason Black	X		
Nathan Burnham	X		
JVar Dutson	X		
Stacy Seay	X		
Michael Cawley	X		

Motion carried.

#10 Discussion on Guarantee of Water Availability

Discussion was about North Canyon Street specifically. The State Act was provided for Board member reference. The issue is, we have an inadequate line giving service; there is not enough pressure. If the State requires fire protection for these parcels, the line would need to be upgraded. The question is who should pay for the infrastructure improvements, if required.

No solution was required at this meeting, this was just informational for the Board to start thinking about.

#11 Adjournment

With no other business, meeting adjourned at 8:02 p.m.

Minutes were approved at the meeting on_____.

Vincen Barlow, Hildale City Recorder

Vance Barlow, Colorado City Town Clerk

Summary of Board Actions:

June 25, 2019 meeting minutes ratified

Pay Bills

Utility Director and City Managers given access to Executive Sessions

Invoice	Description	Invoice Date	Due Date	Total Cost	Period	GL Activity	GL Account
BASIC AMERICAN SUPPLY (5637)							
21629	Cleaning Supplies	07/19/2019	08/20/2019	42.46	08/19	0	65-41-250
218270	Bolts, Drill	07/01/2019	08/20/2019	28.82	08/19	0	84-41-273
219862	Gloves	07/08/2019	08/20/2019	28.95	08/19	0	84-41-273
220569	Gloves	07/11/2019	08/20/2019	15.97	08/19	0	84-41-273
220572	Lighters	07/11/2019	08/20/2019	2.39	08/19	0	84-41-273
221264	Gas can, funnel	07/15/2019	08/20/2019	41.68	08/19	0	84-41-273
221600	Ball valve	07/16/2019	08/20/2019	10.99	08/19	0	84-41-273
222759	Weed Killer	07/22/2019	08/20/2019	52.98	08/19	0	84-41-273
Total BASIC AMERICAN SUPPLY (5637):				224.24			
CHEMTECH-FORD LABORATORIES, INC. (1481)							
19F0645	Radiological water tests	07/29/2019	08/28/2019	625.00	07/19	0	81-41-314
Total CHEMTECH-FORD LABORATORIES, INC. (1481):				625.00			
Codale Electric Supply Inc. (4572)							
S6677003.00	2" Fiber Optic Conduit	06/27/2019	07/27/2019	6,600.00	08/19	0	82-41-273
Total Codale Electric Supply Inc. (4572):				6,600.00			
Customer Deposit (5518)							
3.05210.6	3.05210.6 CUSTOMER DEPOSIT REFUND	07/22/2019	08/22/2019	41.90	07/19	0	81-21350
3.08810.6	3.08810.6 CUSTOMER DEPOSIT REFUND	07/22/2019	08/22/2019	29.56	07/19	0	81-21350
3.30500.4	3.30500.4 CREDIT FOR GAS IN TANK	07/15/2019	08/15/2019	617.78	07/19	0	84-37-112
3.48460.3	3.84460.3 CUSTOME DEPOSIT REFUND	07/16/2019	08/18/2019	71.86	07/19	0	81-21350
3.50911.4	3.50911.4 CUSTOMER DEPOSIT REFUND	07/16/2019	08/16/2019	264.99	07/19	0	81-21350
3.84460.1 (2)	3.84460.1 CREDIT FOR GAS IN TANK	07/18/2019	08/22/2019	148.27	07/19	0	84-37-112
6.42690.4	6.42690.4 CUSTOMER DEPOSIT REFUND	07/23/2019	08/23/2019	175.33	07/19	0	81-21350
6.44500.1	6.44500.1 CUSTOMER DEPOSIT REFUND	07/16/2019	08/16/2019	384.58	07/19	0	81-21350
3.50010.6	3.50010.6 CUSTOMER DEPOSIT REFUND	08/05/2019	08/30/2019	197.99	08/19	0	81-21350
3.25500.3	3.05210.6 CUSTOMER DEPOSIT REFUND	08/21/2019	09/21/2019	90.37	08/19	0	81-21350
3.47700.6	3.47700.6 CUSTOMER DEPOSIT REFUND	08/21/2019	09/21/2019	180.97	08/19	0	81-21350
Total Customer Deposit (5518):				2,203.60			
DJB GAS SERVICES, INC. (4750)							
01157880	WELDER Cylinder Rental	07/31/2019	08/30/2019	25.03	08/19	0	82-41-273
Total DJB GAS SERVICES, INC. (4750):				25.03			
DOMINION ENERGY (5607)							
5948550000	Natural Gas Transportation	07/31/2019	08/27/2019	800.42	08/19	0	84-41-434
Total DOMINION ENERGY (5607):				800.42			
FRED PRYOR SEMINARS (5203)							
231154	Pryor Membership Renewal for Harrison, Angelene, Weston, & Mariah	08/13/2019	08/31/2019	796.00	08/19	0	65-41-330
Total FRED PRYOR SEMINARS (5203):				796.00			
GARKANE ENERGY (5057)							
1717500 071	Lift Station Power	07/16/2019	08/05/2019	640.93	07/19	0	82-41-285
1734500 071	East Water Tanks	07/23/2019	08/12/2019	71.61	07/19	0	81-41-285
1763000 071	Recirc pump station power	07/16/2019	08/05/2019	169.95	07/19	0	82-41-285
1763900 071	Sewer Headworks	07/16/2019	08/05/2019	102.90	07/19	0	82-41-285
1775500 071	Water Plant Power	07/23/2019	08/12/2019	2,799.15	07/19	0	81-41-285

Invoice	Description	Invoice Date	Due Date	Total Cost	Period	GL Activity	GL Account
1782300 071	Lab Shop Power	07/16/2019	08/05/2019	632.60	07/19	0	65-41-285
1782501 071	Well #22	07/23/2019	08/12/2019	4,114.66	07/19	0	81-41-285
1787300 071	Propane Yard Power	07/16/2019	08/05/2019	68.50	07/19	0	84-41-285
17909902 07	Power Plant Well	07/16/2019	08/05/2019	3,753.45	07/19	0	81-41-285
1793900 071	Million Gallon Tank	07/16/2019	08/05/2019	42.75	07/19	0	81-41-285
1945500 071	Academy Ave Well	07/23/2019	08/12/2019	37.18	07/19	0	81-41-285
2026700 071	Well #21 Power	07/23/2019	08/12/2019	1,956.58	07/19	0	81-41-285
Total GARKANE ENERGY (5057):				14,390.26			
GEAR BOX Z INC. (5216)							
1094	Freight UPS for Sensit Technologies	07/23/2019	08/23/2019	10.74	07/19	0	84-41-273
Total GEAR BOX Z INC. (5216):				10.74			
HILDALE CITY (2160)							
NAT 0719	ENERGY & USE TAX GAS	07/31/2019	08/15/2019	312.93	07/19	0	84-21376
Total HILDALE CITY (2160):				312.93			
HILDALE CITY UTILITIES (2170)							
3.18000.1 07	Lab Shop Utilities	08/09/2019	08/24/2019	283.37	08/19	0	65-41-280
3.84110.1 07	Academy Ave Well Power	08/09/2019	08/24/2019	54.00	08/19	0	65-41-280
6.42870.1 07	Propane Yard Lease	08/09/2019	08/24/2019	100.00	08/19	0	84-41-580
Total HILDALE CITY UTILITIES (2170):				437.37			
HINTON BURDICK CPAs & ADVISORS (2560)							
209663	2019 FY Audit Progress Billing	07/31/2019	08/30/2019	3,500.00	07/19	0	65-41-145
Total HINTON BURDICK CPAs & ADVISORS (2560):				3,500.00			
HOME DEPOT (2220)							
5592355	Backpack Sprayer, Garbage Bags	06/27/2019	08/01/2019	94.88	07/19	0	84-41-273
6171521	Credit Return	06/26/2019	07/26/2019	3.28	07/19	0	81-41-273
6563596	Hammer, Oil	06/26/2019	08/01/2019	101.07	07/19	0	81-41-273
570030	Guard Oil Filter	07/02/2019	08/01/2019	5.20	08/19	0	65-41-250
70016	Buffer Pads	07/02/2019	08/01/2019	164.95	07/19	0	65-41-250
Total HOME DEPOT (2220):				369.38			
INTERWEST REBUILDERS (2348)							
S5577	STARTER Rebuild	05/01/2019	05/31/2019	125.00	08/19	0	65-41-250
Total INTERWEST REBUILDERS (2348):				125.00			
JONES PAINT & GLASS (2470)							
SGPI108436	Vac-con door repair	08/13/2019	09/12/2019	121.21	08/19	0	82-41-250
Total JONES PAINT & GLASS (2470):				121.21			
KENWORTH SALES (5172)							
STGCM1384	Credit Returned Part	06/20/2019	07/20/2019	23.73	07/19	0	84-41-250
STGIN33921	Cable and Lamps for Propane Truck	06/13/2019	07/13/2019	84.15	07/19	0	84-41-250
Total KENWORTH SALES (5172):				60.42			

Invoice	Description	Invoice Date	Due Date	Total Cost	Period	GL Activity	GL Account
KS STATE BANK (5615)							
3352374 101	2016 CASE 580SN BACKHOE - ANNUAL PAYMENT	08/15/2019	09/15/2019	15,757.04	08/19	0	65-41-850
Total KS STATE BANK (5615):				15,757.04			
LEGACY EQUIPMENT COMPANY (5324)							
93357	Sontics headsets-Team Communication	07/26/2019	08/26/2019	2,120.00	07/19	0	82-41-273
Total LEGACY EQUIPMENT COMPANY (5324):				2,120.00			
NEWBY BUICK (4613)							
6099855	GMC Sierra 1500 Truck Repair	06/12/2019	07/12/2019	49.94	08/19	0	65-41-250
6100093	GMC Sierra 1500 Truck Repair	06/20/2019	07/20/2019	188.40	08/19	0	65-41-250
6101001	GMC Sierra 1500 Truck Repair	07/18/2019	08/17/2019	979.03	08/19	0	65-41-250
Total NEWBY BUICK (4613):				1,217.37			
PINNACLE GAS PRODUCTS (5471)							
108490	LP Hose & Parts for Customer Connections	07/12/2019	08/12/2019	907.83	07/19	0	81-41-341
Total PINNACLE GAS PRODUCTS (5471):				907.83			
PREFERRED PARTS (4694)							
45178	Car wash soap	07/24/2019	08/24/2019	12.90	08/19	0	65-41-250
46080	Electrical Connectors	08/13/2019	08/30/2019	31.24	08/19	0	81-41-273
Total PREFERRED PARTS (4694):				44.14			
ROCKY MOUNTAIN POWER (4202)							
68511976 07	Cathodic Protection Power	07/23/2019	08/22/2019	11.34	07/19	0	84-41-285
Total ROCKY MOUNTAIN POWER (4202):				11.34			
SCHOLZEN PRODUCTS COMPANY, INC. (3450)							
1015022-00	CHLORINE	07/23/2019	08/22/2019	647.01	07/19	0	81-41-432
1015065-00	CHLORINE	07/25/2019	08/24/2019	647.01	07/19	0	81-41-432
3023460-00	Chlorine Cylinder Rental	07/24/2019	08/23/2019	73.92	07/19	0	81-41-432
6399103-00	Marking Paint	07/15/2019	08/14/2019	211.16	07/19	0	81-41-273
6399496-00	MARKING PAINT	07/16/2019	08/15/2019	112.50	07/19	0	81-41-273
6402724-00	MARKING PAINT, gas risers	07/30/2019	08/29/2019	839.77	08/19	0	84-41-341
6404350-00	Johnson Ave & Pioneer water leak reapiir parts	08/06/2019	09/05/2019	1,349.47	08/19	0	81-41-341
Total SCHOLZEN PRODUCTS COMPANY, INC. (3450):				3,880.84			
SENSIT TECHNOLOGIES (4707)							
0277368-IN	CGI trade in & parts	07/16/2019	07/31/2019	3,210.45	07/19	0	84-42-780
Total SENSIT TECHNOLOGIES (4707):				3,210.45			
SOUTHERN UTAH UNIVERSITY (3592)							
S0043630	Bacteriological Water Tests	07/29/2019	08/28/2019	40.00	08/19	0	81-41-314
Total SOUTHERN UTAH UNIVERSITY (3592):				40.00			
SOUTHWEST UTAH PUBLIC HEALTH DEPARTMENT (5509)							
300454	Bacteriological Water Tests	08/01/2019	08/31/2019	420.00	08/19	0	81-41-314

Invoice	Description	Invoice Date	Due Date	Total Cost	Period	GL Activity	GL Account
Total SOUTHWEST UTAH PUBLIC HEALTH DEPARTMENT (5509):				420.00			
SUMMIT ENERGY, LLC (4605)							
07191HILD	Natural Gas Commodity	08/09/2019	09/08/2019	1,431.68	08/19	0	84-41-431
Total SUMMIT ENERGY, LLC (4605):				1,431.68			
SUNRISE ENGINEERING, INC. (3740)							
103345	Culinary Water Master Plan Update & GIS	05/22/2019	06/21/2019	14,966.25	07/19	0	81-41-311
Total SUNRISE ENGINEERING, INC. (3740):				14,966.25			
TOWN OF COLORADO CITY (3930)							
8339	DOJ Court Judgement Cost Sharing - Jim Keith	07/11/2019	07/26/2019	495.00	08/19	0	63-41-310
8362	Auto Insurance Premium Portion	08/01/2019	08/16/2019	4,033.90	08/19	0	65-41-510
8366	Gasoline Used from Utilities	08/02/2019	08/17/2019	2,113.01	08/19	0	65-41-257
8366	Gasoline Used from Utilites	08/02/2019	08/17/2019	97.70	08/19	0	84-41-257
8367	DOJ Court Judgement Cost Sharing - Jim Keith	08/02/2019	08/17/2019	1,387.93	08/19	0	63-41-310
8370	DOJ Court Judgement Cost Sharing - Roger Carter	08/05/2019	08/20/2019	1,864.13	08/19	0	63-41-310
8	TOCC Litigation Settlement	08/01/2019	08/01/2019	6,266.67	08/19	0	64-41-911
PROST0719	Total Water Tax	07/31/2019	08/15/2019	658.16	07/19	0	84-21371
WAT0719	Total Water Tax	07/31/2019	08/15/2019	2,931.55	07/19	0	81-21371
Total TOWN OF COLORADO CITY (3930):				19,848.05			
USABlueBook (4011)							
946374	Tubing for pump at water plant	07/10/2019	07/20/2019	375.26	07/19	0	81-41-273
951683	Marking Paint	07/16/2019	07/26/2019	135.84	07/19	0	84-41-273
Total USABlueBook (4011):				511.10			
UTAH STATE TAX COMMISSION (4221)							
STC 0719	Taxes Collected for Hildale	07/31/2019	08/30/2019	236.48	07/19	0	84-21375
Total UTAH STATE TAX COMMISSION (4221):				236.48			
ZION'S BANK (4470)							
190625 (2)HJ	Buckets for 4th July Cold Brew	06/25/2019	07/24/2019	94.57	06/19	0	65-41-235
190625 (3)HJ	Buckets for 4th July Cold Brew	06/25/2019	07/24/2019	71.51	06/19	0	65-41-235
190701 (4)HJ	Food Service Permit	07/01/2019	07/24/2019	92.15	07/19	0	65-41-235
190607 (1)HJ	Background Check	06/07/2019	07/24/2019	84.90	06/19	0	65-41-310
190611 (1)W	Tires	06/11/2019	07/24/2019	177.00	06/19	0	65-41-250
190619 (2)W	Snacks for Field Staff	06/19/2019	07/24/2019	137.78	06/19	0	65-41-235
190619 (2)W	Batteries	06/19/2019	07/24/2019	69.46	06/19	0	65-41-250
190627 (3)W	Snacks for Field Staff	06/27/2019	07/24/2019	190.90	06/19	0	65-41-235
Total ZION'S BANK (4470):				918.27			
Grand Totals:				96,122.44			

Report GL Period Summary

Vendor number hash: 0
Vendor number hash - split: 0
Total number of invoices: 0

Total number of transactions: 0

CITY OF HILDALE
REVENUES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING JUNE 30, 2019

2017 JUDGMENT RESOLUTION FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
<u>REVENUES</u>					
63-38-101 TRANSFER FROM GENERAL FUND	.00	29,022.39	88,900.00	59,877.61	32.7
63-38-102 TRANSFER FROM WATER FUND	.00	9,674.16	13,600.00	3,925.84	71.1
63-38-103 TRANSFER FROM WASTEWATER	.00	9,674.16	20,100.00	10,425.84	48.1
63-38-105 TRANSFER FROM GAS FUND	.00	9,674.16	13,600.00	3,925.84	71.1
TOTAL REVENUES	.00	58,044.87	136,200.00	78,155.13	42.6
TOTAL FUND REVENUE	.00	58,044.87	136,200.00	78,155.13	42.6

CITY OF HILDALE
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING JUNE 30, 2019

2017 JUDGMENT RESOLUTION FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>EXPENDITURES</u>					
63-41-310 PROFESSIONAL & TECHNICAL	.00	49,887.30	129,200.00	79,312.70	38.6
63-41-315 LEGAL - GENERAL	.00	294.23	7,000.00	6,705.77	4.2
TOTAL EXPENDITURES	.00	50,181.53	136,200.00	86,018.47	36.8
TOTAL FUND EXPENDITURES	.00	50,181.53	136,200.00	86,018.47	36.8
NET REVENUE OVER EXPENDITURES	.00	7,863.34	.00	(7,863.34)	.0

CITY OF HILDALE
REVENUES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING JUNE 30, 2019

LITIGATION DEFENSE FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	<u>REVENUES</u>					
64-38-101	TRANSFER FROM GENERAL FUND	.00	19,681.67	19,500.00	(181.67)	100.9
64-38-102	TRANSFER FROM WATER FUND	.00	19,681.71	22,700.00	3,018.29	86.7
64-38-103	TRANSFER FROM WASTEWATER	.00	18,125.04	22,700.00	4,574.96	79.9
64-38-105	TRANSFER FROM GAS FUND	.00	19,681.71	22,700.00	3,018.29	86.7
	TOTAL REVENUES	.00	77,170.13	87,600.00	10,429.87	88.1
	TOTAL FUND REVENUE	.00	77,170.13	87,600.00	10,429.87	88.1

CITY OF HILDALE
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING JUNE 30, 2019

LITIGATION DEFENSE FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>EXPENDITURES</u>					
64-41-230 TRAVEL	.00	.00	2,700.00	2,700.00	.0
64-41-250 EQUIPMENT SUPPLIES & MAINT	.00	71.76	.00	(71.76)	.0
64-41-310 PROFESSIONAL & TECHNICAL	.00	60.00	.00	(60.00)	.0
64-41-316 LEGAL - LITIGATION DEFENSE	.00	3,435.00	84,900.00	81,465.00	4.1
64-41-911 JUDGMENTS AND LOSSES	.00	81,466.71	.00	(81,466.71)	.0
TOTAL EXPENDITURES	.00	85,033.47	87,600.00	2,566.53	97.1
TOTAL FUND EXPENDITURES	.00	85,033.47	87,600.00	2,566.53	97.1
NET REVENUE OVER EXPENDITURES	.00	(7,863.34)	.00	7,863.34	.0

CITY OF HILDALE
REVENUES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING JUNE 30, 2019

JOINT ADMINISTRATION FUND

	<u>PERIOD ACTUAL</u>	<u>YTD ACTUAL</u>	<u>BUDGET</u>	<u>UNEXPENDED</u>	<u>PCNT</u>
<u>REVENUES</u>					
65-38-102 TRANSFER FROM WATER FUND	.00	236,435.05	214,600.00	(21,835.05)	110.2
65-38-103 TRANSFER FROM WASTEWATER	.00	219,546.83	278,900.00	59,353.17	78.7
65-38-105 TRANSFER FROM GAS FUND	.00	84,441.08	107,400.00	22,958.92	78.6
	<u>.00</u>	<u>540,422.96</u>	<u>600,900.00</u>	<u>60,477.04</u>	<u>89.9</u>
TOTAL REVENUES					
	<u>.00</u>	<u>540,422.96</u>	<u>600,900.00</u>	<u>60,477.04</u>	<u>89.9</u>
TOTAL FUND REVENUE					
	<u>.00</u>	<u>540,422.96</u>	<u>600,900.00</u>	<u>60,477.04</u>	<u>89.9</u>

CITY OF HILDALE
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING JUNE 30, 2019

JOINT ADMINISTRATION FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>EXPENDITURES</u>					
65-41-110 SALARIES-PERMANENT EMPLOYEES	.00	253,704.48	298,400.00	44,695.52	85.0
65-41-130 PAYROLL TAXES	.00	30,454.74	25,200.00	(5,254.74)	120.9
65-41-140 BENEFITS-OTHER	.00	31,949.21	41,400.00	9,450.79	77.2
65-41-150 STIPENDS - UTILITY BOARD	.00	10,700.00	11,700.00	1,000.00	91.5
65-41-230 TRAVEL	.00	972.52	.00	(972.52)	.0
65-41-235 FOOD & REFRESHMENT	.00	2,497.09	4,700.00	2,202.91	53.1
65-41-240 OFFICE EXPENSE & SUPPLIES	.00	21.00	.00	(21.00)	.0
65-41-250 EQUIPMENT SUPPLIES & MAINT	.00	26,960.61	26,500.00	(460.61)	101.7
65-41-257 FUEL	.00	11,325.34	15,900.00	4,574.66	71.2
65-41-271 MAINT & SUPPLY - OFFICE	.00	2,990.22	3,500.00	509.78	85.4
65-41-280 UTILITIES	.00	10,321.55	14,300.00	3,978.45	72.2
65-41-285 POWER	.00	6,223.12	6,900.00	676.88	90.2
65-41-287 TELEPHONE	.00	35.65	.00	(35.65)	.0
65-41-310 PROFESSIONAL & TECHNICAL	.00	2,246.01	4,300.00	2,053.99	52.2
65-41-330 EDUCATION	.00	1,418.00	2,100.00	682.00	67.5
65-41-510 INSURANCE	.00	82,294.44	84,500.00	2,205.56	97.4
65-41-741 EQUIPMENT - OFFICE	.00	.00	3,200.00	3,200.00	.0
65-41-850 DEBT SERVICE - VEHICLE & EQUIP	.00	15,747.04	32,100.00	16,352.96	49.1
65-41-900 AUTOMATIC PAYMENT INCENTIVE	.00	2,170.00	2,500.00	330.00	86.8
65-41-901 SURVEY INCENTIVE PROGRAM	.00	1,875.00	2,000.00	125.00	93.8
65-41-960 TRANSFERS TO RESERVE FUNDS	.00	.00	27,000.00	27,000.00	.0
TOTAL EXPENDITURES	.00	493,906.02	606,200.00	112,293.98	81.5
TOTAL FUND EXPENDITURES	.00	493,906.02	606,200.00	112,293.98	81.5
NET REVENUE OVER EXPENDITURES	.00	46,516.94	(5,300.00)	(51,816.94)	877.7

CITY OF HILDALE
REVENUES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING JUNE 30, 2019

WATER FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>OPERATING REVENUES</u>					
81-37-111 WATER SALES - METERED	.00	322,643.39	288,800.00	(33,843.39)	111.7
81-37-121 WATER SALES - FLAT RATE	.00	367,847.78	362,400.00	(5,447.78)	101.5
81-37-160 CONSTRUCTION REVENUE	.00	249.50	.00	(249.50)	.0
81-37-331 CONNECTION CHARGES	.00	23,350.00	20,400.00	(2,950.00)	114.5
81-37-332 CONSTRUCTION	.00	10,970.90	62,400.00	51,429.10	17.6
81-37-411 INTEREST	.00	11,679.04	3,600.00	(8,079.04)	324.4
81-37-412 PENALTIES	.00	114,831.02	90,000.00	(24,831.02)	127.6
81-37-451 IMPACT FEE - UT	.00	(11,820.00)	34,700.00	46,520.00	(34.1)
81-37-452 IMPACT FEE - AZ	.00	.00	34,700.00	34,700.00	.0
TOTAL OPERATING REVENUES	.00	839,751.63	897,000.00	57,248.37	93.6
<u>NON-OPERATING REVENUE</u>					
81-38-102 TRANSFERS FROM R&R RESERVE	.00	.00	46,000.00	46,000.00	.0
81-38-440 SUNDRY NON-OPERATING REVENUE	.00	7,500.00	5,000.00	(2,500.00)	150.0
81-38-999 CONTINGENCY	.00	.00	200,000.00	200,000.00	.0
TOTAL NON-OPERATING REVENUE	.00	7,500.00	251,000.00	243,500.00	3.0
TOTAL FUND REVENUE	.00	847,251.63	1,148,000.00	300,748.37	73.8

CITY OF HILDALE
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING JUNE 30, 2019

WATER FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>OPERATING EXPENDITURES</u>					
81-41-210 BOOKS, SUBSCR, & MEMBERSHIPS	.00	100.00	1,500.00	1,400.00	6.7
81-41-230 TRAVEL	.00	755.46	4,600.00	3,844.54	16.4
81-41-235 FOOD & REFRESHMENT	.00	41.06	600.00	558.94	6.8
81-41-250 EQUIPMENT SUPPLIES & MAINT	.00	1,808.10	5,000.00	3,191.90	36.2
81-41-257 FUEL	.00	.00	200.00	200.00	.0
81-41-260 TOOLS & EQUIPMENT-NON CAPITAL	.00	9,367.37	13,500.00	4,132.63	69.4
81-41-273 MAINT & SUPPLY - SYSTEM	.00	50,593.22	38,000.00	(12,593.22)	133.1
81-41-285 POWER	.00	58,590.28	66,200.00	7,609.72	88.5
81-41-311 ENGINEER	.00	1,719.25	2,000.00	280.75	86.0
81-41-314 LABORATORY & TESTING	.00	9,259.00	14,000.00	4,741.00	66.1
81-41-315 LEGAL - GENERAL	.00	.00	1,300.00	1,300.00	.0
81-41-330 EDUCATION	.00	1,951.00	4,000.00	2,049.00	48.8
81-41-340 SYSTEM CONSTRUCTION SERVICES	.00	103.82	2,000.00	1,896.18	5.2
81-41-341 CONST-CUSTOMER'S INSTALLATION	.00	1,961.94	59,000.00	57,038.06	3.3
81-41-431 COMMODITY SUPPLY	.00	69,192.60	120,900.00	51,707.40	57.2
81-41-432 SPECIAL DEPT SUPPLIES	.00	12,438.03	18,500.00	6,061.97	67.2
81-41-580 RENT OR LEASE	.00	1,156.44	.00	(1,156.44)	.0
TOTAL OPERATING EXPENDITURES	.00	219,037.57	351,300.00	132,262.43	62.4
<u>NON-OPERATING EXPENDITURES</u>					
81-42-560 BAD DEBT EXPENSE	.00	.00	2,000.00	2,000.00	.0
81-42-730 IMPROVEMENTS OTHER THAN BLDGS	.00	25,281.02	25,281.02	.00	100.0
81-42-742 EQUIPMENT - FIELD	.00	.00	2,500.00	2,500.00	.0
81-42-780 RESERVE PURCHASES	.00	.00	66,500.00	66,500.00	.0
81-42-815 PRINC. & INT W. RIGHTS LOAN	.00	41,329.92	41,270.08	(59.84)	100.1
81-42-911 TRANSFERS TO JOINT ADMIN FUND	.00	236,435.05	214,600.00	(21,835.05)	110.2
81-42-912 TRANSFERS TO LITIGATION	.00	19,681.71	29,200.00	9,518.29	67.4
81-42-913 TRANSFERS TO GF ADMIN	.00	125,000.04	125,000.00	(.04)	100.0
81-42-914 TRANSFERS TO 2017 JMT RES FUND	.00	9,674.16	13,600.00	3,925.84	71.1
81-42-960 TRANSFERS TO RESERVE FUNDS	.00	.00	69,800.00	69,800.00	.0
81-42-999 CONTINGENCY	.00	.00	200,000.00	200,000.00	.0
TOTAL NON-OPERATING EXPENDITURES	.00	457,401.90	789,751.10	332,349.20	57.9
TOTAL FUND EXPENDITURES	.00	676,439.47	1,141,051.10	464,611.63	59.3
NET REVENUE OVER EXPENDITURES	.00	170,812.16	6,948.90	(163,863.26)	2458.1

CITY OF HILDALE
REVENUES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING JUNE 30, 2019

WASTEWATER FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>OPERATING REVENUES</u>					
82-37-311 SERVICE CHARGES	.00	703,265.53	710,700.00	7,434.47	99.0
82-37-312 SERVICE CHARGES - CPMCWID	.00	151,250.32	145,000.00	(6,250.32)	104.3
82-37-331 CONNECTION CHARGES	.00	.00	300.00	300.00	.0
82-37-332 SERVICING CUSTOMER INSTALL	.00	2,670.00	20,000.00	17,330.00	13.4
82-37-411 INTEREST	.00	16,925.07	4,000.00	(12,925.07)	423.1
82-37-412 INTEREST EARNINGS (LOAN)	.00	823.56	.00	(823.56)	.0
82-37-451 IMPACT FEE	.00	21,000.00	5,000.00	(16,000.00)	420.0
82-37-452 IMPACT FEE - CPMCWID	.00	14,550.00	5,000.00	(9,550.00)	291.0
TOTAL OPERATING REVENUES	.00	910,484.48	890,000.00	(20,484.48)	102.3
<u>NON-OPERATING REVENUES</u>					
82-38-102 TRANSFERS FROM R&R RESERVE	.00	.00	55,000.00	55,000.00	.0
82-38-440 SUNDRY NON-OPERATING REVENUE	.00	.00	23,000.00	23,000.00	.0
82-38-999 CONTINGENCY	.00	.00	200,000.00	200,000.00	.0
TOTAL NON-OPERATING REVENUES	.00	.00	278,000.00	278,000.00	.0
TOTAL FUND REVENUE	.00	910,484.48	1,168,000.00	257,515.52	78.0

CITY OF HILDALE
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING JUNE 30, 2019

WASTEWATER FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>OPERATING EXPENDITURES</u>					
82-41-210 BOOKS, SUBSCR, & MEMBERSHIPS	.00	.00	500.00	500.00	.0
82-41-230 TRAVEL	.00	.00	4,600.00	4,600.00	.0
82-41-235 FOOD & REFRESHMENT	.00	22.29	700.00	677.71	3.2
82-41-250 EQUIPMENT SUPPLIES & MAINT	.00	1,989.71	8,000.00	6,010.29	24.9
82-41-257 FUEL	.00	801.78	3,000.00	2,198.22	26.7
82-41-260 TOOLS & EQUIPMENT-NON CAPITAL	.00	5,702.03	5,400.00	(302.03)	105.6
82-41-273 MAINTENANCE & SUPPLY - SYSTEM	.00	18,500.39	53,000.00	34,499.61	34.9
82-41-274 MAINT & SUPPLY EQUIPMENT	.00	25.03	.00	(25.03)	.0
82-41-285 POWER	.00	18,964.20	36,000.00	17,035.80	52.7
82-41-311 ENGINEER	.00	.00	500.00	500.00	.0
82-41-314 LABORATORY & TESTING	.00	.00	1,000.00	1,000.00	.0
82-41-315 LEGAL - GENERAL	.00	.00	1,000.00	1,000.00	.0
82-41-330 EDUCATION	.00	2,540.00	5,000.00	2,460.00	50.8
82-41-340 SYSTEM CONSTRUCTION SERVICES	.00	.00	5,000.00	5,000.00	.0
82-41-341 CONST-CUSTOMER'S INSTALLATION	.00	325.00	10,000.00	9,675.00	3.3
TOTAL OPERATING EXPENDITURES	.00	48,870.43	133,700.00	84,829.57	36.6
<u>NON-OPERATING EXPENSES</u>					
82-42-560 BAD DEBT EXPENSE	.00	.00	1,500.00	1,500.00	.0
82-42-710 LAND	.00	.00	25,500.00	25,500.00	.0
82-42-720 BUILDINGS	.00	108.16	5,000.00	4,891.84	2.2
82-42-742 EQUIPMENT - FIELD	.00	.00	5,400.00	5,400.00	.0
82-42-780 RESERVE PURCHASES	.00	.00	55,000.00	55,000.00	.0
82-42-812 PRINCIPAL ON BONDS - RDA B	.00	11,919.44	33,500.00	21,580.56	35.6
82-42-813 PRINCIPAL ON BONDS - RDA - C	.00	2,815.09	6,400.00	3,584.91	44.0
82-42-816 PRINCIPAL ON BONDS - DWQ	.00	80,000.00	80,000.00	.00	100.0
82-42-822 INTEREST ON BONDS - RDA - B	.00	67,505.70	69,300.00	1,794.30	97.4
82-42-823 INTEREST ON BONDS - RDA - C	.00	12,771.24	13,100.00	328.76	97.5
82-42-911 TRANSFERS TO JOINT ADMIN FUND	.00	219,546.83	278,900.00	59,353.17	78.7
82-42-912 TRANSFERS TO LITIGATION	.00	18,837.92	22,700.00	3,862.08	83.0
82-42-913 TRANSFERS TO GF ADMIN	.00	124,999.92	125,000.00	.08	100.0
82-42-914 TRANSFERS TO 2017 JMT RES FUND	.00	8,961.28	20,100.00	11,138.72	44.6
82-42-960 TRANSFERS TO RESERVE FUNDS	.00	.00	92,900.00	92,900.00	.0
82-42-999 CONTINGENCY	.00	.00	200,000.00	200,000.00	.0
TOTAL NON-OPERATING EXPENSES	.00	547,465.58	1,034,300.00	486,834.42	52.9
TOTAL FUND EXPENDITURES	.00	596,336.01	1,168,000.00	571,663.99	51.1
NET REVENUE OVER EXPENDITURES	.00	314,148.47	.00	(314,148.47)	.0

CITY OF HILDALE
REVENUES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING JUNE 30, 2019

GAS FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>OPERATING REVENUES</u>					
84-37-111 GAS SALES - METERED NAT GAS	.00	222,775.07	229,100.00	6,324.93	97.2
84-37-112 GAS SALES - METERED PROPANE	.00	428,289.83	488,700.00	60,410.17	87.6
84-37-113 GAS SALES - CYLINDER	.00	9,678.26	10,600.00	921.74	91.3
84-37-114 GAS SALES - CYLINDER EXCHANGE	.00	1,977.73	3,700.00	1,722.27	53.5
84-37-121 NATURAL GAS SALES - FLAT RATE	.00	27,894.28	24,000.00	(3,894.28)	116.2
84-37-122 PROPANE GAS - FLAT RATE	.00	38,187.85	44,000.00	5,812.15	86.8
84-37-160 CONSTRUCTION REVENUE	.00	13,322.54	125,000.00	111,677.46	10.7
84-37-331 CONNECTION CHARGES	.00	5,210.00	3,000.00	(2,210.00)	173.7
84-37-351 SUNDRY OPERATING REVENUE	.00	41,329.92	47,000.00	5,670.08	87.9
84-37-411 INTEREST	.00	13,389.68	3,500.00	(9,889.68)	382.6
84-37-412 PENALTIES	.00	37,870.02	21,000.00	(16,870.02)	180.3
TOTAL OPERATING REVENUES	.00	839,925.18	999,600.00	159,674.82	84.0
<u>NON-OPERATING REVENUES</u>					
84-38-102 TRANSFERS FROM R&R RESERVE	.00	.00	172,300.00	172,300.00	.0
84-38-901 APPROP - UTILITY FUND BALANCE	.00	.00	22,000.00	22,000.00	.0
84-38-999 CONTINGENCY	.00	.00	118,900.00	118,900.00	.0
TOTAL NON-OPERATING REVENUES	.00	.00	313,200.00	313,200.00	.0
TOTAL FUND REVENUE	.00	839,925.18	1,312,800.00	472,874.82	64.0

CITY OF HILDALE
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING JUNE 30, 2019

GAS FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>OPERATING EXPENDITURES</u>					
84-41-140 BENEFITS-OTHER	.00	208.71	3,000.00	2,791.29	7.0
84-41-210 BOOKS, SUBSCR, & MEMBERSHIPS	.00	1,023.00	2,000.00	977.00	51.2
84-41-230 TRAVEL	.00	68.00	4,000.00	3,932.00	1.7
84-41-235 FOOD & REFRESHMENT	.00	60.97	600.00	539.03	10.2
84-41-250 EQUIPMENT SUPPLIES & MAINT	.00	6,805.91	10,000.00	3,194.09	68.1
84-41-257 FUEL	.00	1,415.88	1,000.00	(415.88)	141.6
84-41-260 TOOLS & EQUIPMENT-NON CAPITAL	.00	2,709.44	4,000.00	1,290.56	67.7
84-41-273 MAINT & SUPPLY SYSTEM	.00	11,253.32	11,700.00	446.68	96.2
84-41-285 POWER	.00	1,407.39	1,000.00	(407.39)	140.7
84-41-330 EDUCATION	.00	7,062.71	8,000.00	937.29	88.3
84-41-341 CONST-CUSTOMER'S INSTALLATION	.00	34,129.30	100,000.00	65,870.70	34.1
84-41-431 NATURAL GAS COMMODITY SUPPLY	.00	151,386.73	120,000.00	(31,386.73)	126.2
84-41-432 PROPANE GAS COMMODITY SUPPLY	.00	288,043.23	316,100.00	28,056.77	91.1
84-41-434 NAT GAS COMMODITY TRANSPORT	.00	88,865.13	20,100.00	(68,765.13)	442.1
84-41-580 RENT OR LEASE	.00	4,112.66	4,200.00	87.34	97.9
84-41-610 MISC. SUPPLIES	.00	.00	5,000.00	5,000.00	.0
84-41-750 SP PROJECTS CAPITAL	.00	32.51	.00	(32.51)	.0
TOTAL OPERATING EXPENDITURES	.00	598,584.89	610,700.00	12,115.11	98.0
<u>NON-OPERATING EXPENDITURES</u>					
84-42-560 BAD DEBT EXPENSE	.00	.00	600.00	600.00	.0
84-42-750 SP PROJECTS CAPITAL	.00	1,099.03	37,000.00	35,900.97	3.0
84-42-780 RESERVE PURCHASES	.00	31,245.00	172,300.00	141,055.00	18.1
84-42-911 TRANSFERS TO JOINT ADMIN FUND	.00	84,441.08	107,300.00	22,858.92	78.7
84-42-912 TRANSFERS TO LITIGATION	.00	19,681.71	29,200.00	9,518.29	67.4
84-42-913 TRANSFERS TO GF ADMIN	.00	125,000.04	125,000.00	(.04)	100.0
84-42-914 TRANSFERS TO 2017 JMT RES FUND	.00	9,674.16	13,600.00	3,925.84	71.1
84-42-960 TRANSFERS TO RESERVE FUNDS	.00	.00	98,200.00	98,200.00	.0
84-42-999 CONTINGENCY	.00	.00	118,900.00	118,900.00	.0
TOTAL NON-OPERATING EXPENDITURES	.00	271,141.02	702,100.00	430,958.98	38.6
TOTAL FUND EXPENDITURES	.00	869,725.91	1,312,800.00	443,074.09	66.3
NET REVENUE OVER EXPENDITURES	.00	(29,800.73)	.00	29,800.73	.0

CITY OF HILDALE
REVENUES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING JUNE 30, 2019

FUND 90

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>OPERATING REVENUES</u>					
90-37-111 FIBER SALES	.00	.00	5,000.00	5,000.00	.0
90-37-331 CONNECTION CHARGES	.00	.00	1,000.00	1,000.00	.0
90-37-332 CONSTRUCTION	.00	.00	10,000.00	10,000.00	.0
TOTAL OPERATING REVENUES	.00	.00	16,000.00	16,000.00	.0
TOTAL FUND REVENUE	.00	.00	16,000.00	16,000.00	.0

CITY OF HILDALE
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING JUNE 30, 2019

FUND 90

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>OPERATING EXPENDITURES</u>					
90-41-273 MAINT & SUPPLY SYSTEM	.00	3,427.42	16,000.00	12,572.58	21.4
TOTAL OPERATING EXPENDITURES	.00	3,427.42	16,000.00	12,572.58	21.4
TOTAL FUND EXPENDITURES	.00	3,427.42	16,000.00	12,572.58	21.4
NET REVENUE OVER EXPENDITURES	.00	(3,427.42)	.00	3,427.42	.0



Fiscal Year 2019 Financial Performance Review

Harrison Johnson
Director
HCC Utility Department
Hildale-Colorado City Utility Department
320 East Newel Avenue, Hildale UT 84784

Executive Summary

The Department's financial performance in fiscal year 2019, and the setting up for the next year is steady, but precarious. We are keeping a close eye on the evictions process which will have a major effect on our revenues and financial solvency as the year progresses. The Department will prepare a report when the United Effort Plan Trust (UEP) has signaled that a majority of the evictions have been completed. This report along with the initial cost estimates for our water replacement project will determine the funding practices leading into the end of FY20. If our financial position is in good condition, we will likely pursue aggressive capital facilities spending and savings plans, as well as, undergo a resource shift to increase investments in our most valuable assets: our employees. The primary financial goal will be the replacement or improvement of the Cities' water system, secondary will be increasing overall improvement and replacement of infrastructure for distribution and transmission of our utility services. Finally, we will look to reduce the rate burden on our customers if we can foresee predictable revenue and expenses post evictions and water improvement.

In the event that our financial position is poor we will continue looking at cost reductions and improving our infrastructure. In all cases, we are looking to become leaner, and adaptive by streamlining administrative processes and increasing our accountability to our ratepayers and the administration. By far the best way is to attract and maintain quality employees who both are invested in the community and apply diligent effort. In 2019, we began this approach but are looking to expand employee pay and benefits as our financial situation allows.

We've ended FY19 with an overall budgetary surplus which is mostly accounted for through the Twin City Water Works cost savings, no reserve transfers and selected budgetary surpluses. While eliminating large costly contracts is generally a good thing, the lack of reserve transfers or savings, is not. Transfers do not affect our cash position; however, they do reflect our budgetary priorities and we will need to align these priorities to make sure we have good employees, maintained and improving infrastructure, and accountability to the rate payer. Budgetary surpluses do not reflect how well we are achieving our core goals, nor do they provide a complete picture of our financial position.

Core Services

The Department's fiscal year revenue beat expectations in a few key areas. The first was our water revenues where metered water revenue was 12% above budgeted expectations, while base were over the budget by only 2% and in the margin of error. We can only speculate that some of this budget expectation was caused by water leakage from customer lines, which due to a colder winter caused more of them to break.

The Sewer Department matched expected earnings for Hildale and Colorado City, but the Centennial Park district beat earnings by 4%. Additionally, impact fees for CPD were significantly higher than expected. Overall growth in CPD is encouraging for the Department as we anticipate that their share of revenue will continue to grow. Impact fees for the Sewer Department were

overall above expectations by 320%, all of which were incurred after the dropping of the Water Service Impact fee.

The Gas Department took the largest hit in the Metered Propane this year, with 12% below expectations. It's important to remember however, that last year's Gas revenue target was set to allow for adjustments in commodity price so the dip in sales could be a result of that. However, there was a 13% drop in propane tank base rate fees, which means we were off roughly 65 tank customers. These tank customers may have left due to UEP evictions, and simply changing over another supplier. Natural Gas sales were well within set targets.

On our expenditures we scored large victories in removing Twin City Water Works as supplier, reducing our cost-of-goods sold in our water department by an incredibly significant amount. This cost savings over the next few years should allow us flexibility in hitting our funding goals and increasing our efficiency in our organization. Additionally, we are looking at utilizing cost effective temporary labor, which can supplement our time intensive projects while allowing our skilled technicians to apply their skills to more important venues.

As the community's demographics shift from large families to smaller ones, we will see some incremental dropping in water and sewer usage rates, however, our gas services are not likely to be as affected. It will be important to utilize more adaptive market strategies for our gas services, as these could become major revenue drivers in the future. Considering our rate structures, we will begin to look at reductions of base rates when we have completed our infrastructure improvements in our water system.

Tertiary Services

This group of services includes cylinder sales, connection charges, and sundry operating revenue, which includes work done for customers or property owners. Focusing on these services will be incremental as we don't assess that these will become large percentages of total revenue.

Interest and Penalties

Interest performance is largely unremarkable and should be reflective of PTIF funds, which at this time is not significant enough to have any large budgetary effects.

Penalties are quite significantly above our anticipated levels which is largely due to the shifting demographics, and chronic late payers. Currently a third of our customers pay some penalties every month for late payment. While budgetarily this can be a small boon, this may decrease customer satisfaction. The Board should consider policies that decrease penalty payments when our customer base has a predictable demographic trend. Until that time, reformatting collections policies prematurely may end in worse outcomes for the customer and the consumer.

Capital Facilities & Improvements Spending

Accumulated Depreciation in FY 18

- Sewer Department: \$5,246,287
- Water Department: \$1,465,286

- Gas Department: \$1,287,576

Facing the Utility Department's future is the lack of funding accumulated depreciation. Depreciation expenses are supposed to help organizations track the useful life of fixed assets. Most importantly is the distribution systems and funding for their improvement and replacement.

- Sewer System Lines: \$1,541,492
- Water Distribution System: \$ 1,027,521
- Gas Distribution System: \$777,668

Funding these items would completely weigh down our budgetary priorities, but we have many options.

We should look to include budgetary allowances for future replacement of our distribution and transmission systems. While this budgetary year will likely not allow us to fund further reserves, I urge the board to support future initiatives to fund regular replacements of aging infrastructure. We should coordinate our effort with major street improvements to cut down on overall costs. In better financial positions we could offer incentives to developers who are constructing the right-of-way to conduct a line or valve replacement.

Collections and Aging Accounts

With roughly \$260,000 in over 90-days delinquent debt, we must address our collections process as planned in November of this year by contracting a collections agency or hiring a contractor to provide this service. We would like to explore contracts which pay per successful collection. However, we must confront the possibility that a significant portion of this debt is uncollectable. Declaring the debt uncollectable and expensing it off our books may affect the financial position of our Department. Additionally, financing agencies may also look unfavorably on this position. We need to carefully consult with the administration and our auditors to determine the best path forward.

Finally, as discussed previously, we will be turning our accounting process over in November and rolling out a new accountability system that should reduce delinquency rates. The Board should consider options that benefit the current rate-payer, and then options that benefit delinquent account holders.

Reserve & Capital Spending

Reserve transfers and capital spending on infrastructure and replacement was mostly non-existent. Not transferring to our Replacement and Reserve (R&R) doesn't mean we haven't saved the cash, but it does mean it will remain in an unrestricted cash account. One of the key reasons we completed this action was to reflect accurate budgets for the R&R as we took in the assets from Twin City Water Works. Again, this budget year will prove challenging and remaining solvent will be important as we will likely have large expenditures in infrastructure spending. However, along with saving funds to account for depreciation of distribution and transmission, we will need to keep our capitalized assets up-to-date and properly funded.



Strategic Outlook and Objectives for Fiscal Year 2020

Harrison Johnson
Director
Hildale-Colorado City Utility Department
320 East Newel Avenue, Hildale UT 84784

Vision

Our mission is Making Connections between value, community and service in Hildale and Colorado City by providing the safest, most affordable and highest quality utility services to our families and neighbors. Our employees are our most critical assets and we strive to make continual investments in their lives and their futures. We are a professional organization that values our citizens and the trust they place in us, and we work everyday to ensure that we are worthy of it.

Core Services

The Department's objectives for the 2020 year is to mitigate the revenue loss from the evictions. There are a few trends that will likely affect this. The first are the developers that may begin to break ground both on the commercial and residential side. With companies like Infab in Hildale and Bee's Market Place in Colorado City we are seeing investments that may represent new revenue opportunities. Industrial and commercial customers can provide significant utility usage services and the board should consider changing rate structures to better capture these opportunities at a later date. In the meantime, communicating to potential commercial and residential customers will be a priority, and ensuring that our administrative processes are facilitated correctly.

Water Quality Enhancements

Water Quality and Radium Remediation will continue to be the top objectives for the HCCUD for the Fiscal Year of 2020 and beyond. We are looking to provide safe, clean and high-quality drinking water with sustainability as a primary objective. Sustainable development will give us flexibility in reducing customer costs and hopefully will encourage development. Prioritizing funding for these improvements will be completely essential.

Primary Objectives

- Remediate Radium Contamination in Existing Groundwater Sources
- Research Water Canyon Water Source Development and Implement if Possible

Secondary Objectives

- Conduct qualitative improvements of water treatment plant
- Implement Reporting and Monitoring System into GIS Database

Fiber Optic Services

The Department's primary objective will assess the fiber status and capabilities for municipal and ISP use. However, this will be contingent on the objectives of both the Colorado City and Hildale City Councils to determine to what extent publicly available fiber network infrastructure should be available. The Department's staff urges that the City Councils agree to a unified objective as it

reduces administrative costs and increases efficiency. The Department has already been working with both administrations to conduct legal research to determine the next steps.

Primary Objectives

- Determine Legal Framework and Service Terms for Fiber Optic ISP
- Implement Basic Infrastructure to Provide ISP Services
- Improve and Repair Current City Municipal Fiber System

Secondary Objectives

- Solicit ISPs to use our Fiber Optic Network Infrastructure
- Develop Expansion Plans

Retirement Benefits and Competitive Pay for Professional Employees

As the Department expands to offer more services (fiber) and begins to see demographic settlement and potential growth, it will be critical that we have the ability to attract and maintain talent. High performing employees are extraordinarily valuable to any organization and are worth continual investment and improvement. In finding a structure that attracts good hires to apply for our Department, and encourages them to stay, we must look at development of the employee's abilities, and responsibilities just as much as compensation. This includes things like education, training and promotion opportunities. Our Department's small size means that we cannot always offer high-performing employees promotion opportunities, but we will always want to structure our positions as to encourage high performers to replace them. Additionally, due to our community's geographic and cultural nuances, it will be increasingly important to examine compensation and retirement to make sure we are luring the best candidates.

Primary Objectives

- Fund and Implement Retirement System (Currently Funded at 5%)
- Redefine Professional Job Roles and Compensation
- Implement Education Incentive and Payback Program

Extra-District Water Sales

In line with expanding our core services revenue, we are looking at a couple of extra-district water sales opportunities. One is with the Centennial Park Water District (CPWD), and the other is a private land owner. The Department's approach is to separate private requests and those requests from other public entities. Public entities like CPWD, serve the needs of the public and should therefore be afforded similar status as district ratepayers, which includes compensation for services. Requests from private landowners or businesses should be approached as an open market customer where prices and contracts should reflect market prices and supply and demand.

Primary Objectives

- Determine a Legal Framework for Providing Water to Extra-district Agents
- Enter into an Intergovernmental Agreement with the CPWD

Gas Department Core Revenues Expansion

The Gas Department represents the only truly market sensitive core services arm of the Department. Specifically, our propane delivery service competes with a competitive, and largely price inelastic market. Additionally, propane is also a commodity market, and companies only remain competitive on price and service. In order to capture more market share, we believe that keeping consistently competitive prices is a necessity.

Considering the nature of propane service, where rental service nearly guarantees consistent customers, we need to provide initial incentives and reduce or eliminate any immediate barriers to service.

Primary Objectives

- Reform Tanked Propane Pricing Policies and Increase Tanked Propane Revenue by 20%
- Increase metered services by 10%
- Increase efficiency of service

Critical and Non-Critical Infrastructure Assessment

In order to address infrastructure improvement, we must make a concerted effort to take an assessment of our current infrastructure. It is important as both operational and financial considerations depend on how central a particular asset is to the overall function of the system. We will need to create or adopt a critical infrastructure assessment matrix, implement and deploy it.

Capital Infrastructure Improvement

The Water, Sewer and Gas Departments have multimillion-dollar collection, transmission and distribution systems, and these systems will over time degrade and breakdown. Failure to properly fund improvement and replacement will result in physical breakdowns of key and critical infrastructure in the future. These breakdowns are often unplanned, and if they are not funded, we may be left with severe gaps in services to our customers in the future.



Tanked Propane Rental and Fill Service Policy

Hildale-Colorado City Utility Department
320 East Newel Avenue, Hildale UT 84784

Executive Summary

This policy supersedes General Service Rate Schedule PGT-1,2, and all documents preceding or relating to gas tank fill or rental. The Department's propane delivery services are market sensitive and compete with other municipal and private entities for customers. In order to remain competitive and attract new customers the Department must have the flexibility to offer incentives and change prices of competitive market services. Additionally, the Department could also benefit from rate changes that increase sales revenue when the Department's acquisition of the propane commodity allows for larger margins, but still remains price competitive.

Tanked Propane Fill Price

The Department's delivered propane price shall be dependent on cost-of-goods sold and competitive market conditions. The Gas Department Superintendent shall be responsible for competitive price research and assessing the cost-of-goods sold. The Superintendent shall recommend a price the Utility Director for review and approval.

Required Deposits

At the discretion of the Utility Director, tanked propane only customers can be exempt from the required deposits for new accounts.

Sales Incentives

The Utility Director shall have discretion to implement sales incentives, that reduce or eliminate the costs of services in order to increase the number of customers. Any sales incentives will be supplied in Memorandums with start and an end date for record to the Accounts Receivable Clerk and to the City Recorder.

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- Garkane: **\$1.79/gallon**
- Amerigas: **\$1.98/gallon**
- Blackburn Propane: **\$1.69/gallon**
- B&L Propane: **\$1.75/gallon**

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UTILITY DEPARTMENT
\$1.53/GALLON

SPECIAL OFFERS:

- No deposit for new tank-only customers
- No tank rental fee for six months for new tank customers *Offer valid through February 2020*
- Offering Price-Lock Delivery Contracts starting with orders of 1,000 gallons
- *Offer valid as long as supplies last*



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Temporary Labor Program- Gas, Water and Sewer Departments

Hildale-Colorado City Utility Department
320 East Newel Avenue, Hildale UT 84784

Executive Summary

The Department will at the direction of the Utility Director be empowered to temporarily hire employees to fulfill critical maintenance or construction tasks. The Department often has work tasks that require little technical or operational skill to complete but are time intensive. The overall cost of using full-time technicians to complete tasks they are otherwise over-qualified for is an inefficient use of resources. We resolve that using a pool of temporary labor can supplement the Department's pool of workers to complete tasks that full-time technicians

Approval

All temporary labor projects must have a memorandum generated, stipulating the time required, the number of temporary laborers, and the total expected temporary labor cost. This memorandum will identify the scope of services to be performed, as well as, which department employee will directly supervise the project. This memorandum will be sent to the Utility Director for review and assignment of funding.

Funding

For the fiscal year 2020, the Department shall use funding under the System Construction Services in the Water and Sewer Department, and the Maintenance and Supply System under the Gas Department's revenues. In Fiscal Year 2020 or during a mid-year budget adjustment, the Department may propose separate line items for specifically temporary labor.

Hiring

Temporary labor positions will be advertised, and applications will be processed and received as part-time employees. They will be restricted to less than 20 hours per week, or 40 hours a week, but not to exceed more than 80 hours within one month. Employment information will be kept on file for further hiring if desired.