



HEBER VALLEY SPECIAL SERVICE DISTRICT

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BOARD MEETING

October 13, 2022

4:00 P.M.

Administration Building
1000 E Main Midway, UT 84049

AGENDA ITEMS

CONDUCTING: Board Chair, Celeste Johnson

Those in attendance: Celeste Johnson, Yvonne Barney, Steve Farrell, Heidi Franco, Don Huggard, Mike Johnston, Wes Johnson, Jeff Burningham, Martha Wingate,

PUBLIC COMMENT: With no public in attendance for public comment, this portion of the meeting was closed.

ENTITY UPDATES: There are no entity updates from the members of the board.

COMMITTEE UPDATES: The manager stated that all the board members have received emails regarding the committees. Personnel and negotiations committees have met and have resolutions for the board to address at this meeting. She stated that each committee should meet at least once before the end of the year. The committees that have met have made some good progress.

Brenda Koslowski stated that the wage study was sent out to everyone.

Dennis Gunn stated that Janet Carson was going to send that out.

Steve Farrell stated that they will need to adopt the wage study before they make any decisions.

ACTION ITEMS:

1. **Consent Agenda** Approval – (5 minutes).
 - A. September 29, 2022, Board Meeting Minutes
 - B. September 2022, Profit & Loss
 - C. September 2022, Reconciliation
 - D. Warrants

A motion was made by Steve Farrell to approve the consent agenda as presented. The motion was seconded by Yvonne Barney and the motion passed all in favor.

2. **UDOT (Utah Department of Transportation) Project (Pin 18326) - (Wallsburg to Charleston)** - to continue the discussion with the HVSSD board for the US-189 (Wallsburg to Charleston) project in relation to the HVSSD property located at 2400 South and US-189. (30 minutes).

The representatives for UDOT attended the meeting for the discussion. The manager stated that this had been discussed in a previous meeting. They would like to start the project in the spring UDOT representative stated that they met on September 23rd with the Region 8 EPA. They explained to them the project. They stated that they will look into this with legal counsel. They were thinking because the land use was not changing, they may not need a deviation. They are still waiting for the attorney to get back to them.

Celeste Johnson asked the board if they were still on board with this. They all agreed. She suggested an MOU.

UDOT stated that they will do an MOU.

Maureen, with UDOT stated that they have a valuation of the property but since it will be donated by the district that should not be an issue. She stated that she has the legal documents and deeds.

Steve stated that they would be changing ownership to UDOT.

Dennis Gunn put the parcel map on the large screen to show where the actual piece is.

UDOT stated that they will do a clean-up on the deed. If the road is ever abandoned the property will go back to the original owner. There are 7 actual pieces of property that will be included.

Steve Farrell asked about the total value of the property.

UDOT stated that the total offer on the land is \$44,800.00. The property will be both temporary and perpetual easements. They will also give the district the funds to put their own fences back up at \$6.50 per linear foot.

Celeste Johnson stated that she would like to have Dennis Gunn provide to the board the documents that he will receive from UDOT.

Heidi Franco asked about the payment.

UDOT stated that they will be paid for the fence. They are looking at the land used for the new lane will be looked at as a donation.

Wes Johnson stated that they had used this property as a component of the farm. They stockpile hay there.

Jeff Rasmussen attended the meeting remotely asked about a survey in the materials that they have and if there were any legal depictions.

UDOT stated that there are drawings and the easements have surveyed legal descriptions. They will be warranty deed. There will also be an ownership record as well. She stated that she will send the documents to Dennis.

- 3. District Boundaries cont.** – Martha Wingate with Ray, Quinney and Nebeker will be here to discuss and receive board direction on district boundaries, bylaws and agreements and organization documents. (30 minutes).

Dennis Gunn stated that he had been instructed to look into the boundaries and bylaws for the district.

Martha Wingate stated that she took the original bylaws as a template and sent a draft for them to review. She does have questions for the board regarding appointing representatives on the board and how they are notified of special meetings.

Heidi Franco stated that the members of the board follow the state code. She stated that she felt that it should be the mayor that serves on the board rather than a designee by the mayor.

Martha Wingate stated that they do not have a removal process for a chairman or vice chairman. She has in in as a 2/3 vote for removal. There is not a term limit but there is an annual election.

Heidi Franco asked about the process for a chairman who may want to resign as the chair.

Martha Wingate stated she will add this as well.

Dennis Gunn asked about an attendance requirement. They receive a stipend also.

Steve Farrell stated that they need to have that be up to the entity that a board member is representing.

Mike Johnston stated that the trigger for notification would be a concern expressed by the board.

Martha Wingate asked about the level of oversight right now regarding hiring and dismissal of an employee. Right now, the board is reviewing the hiring and dismissing of employees.

Celeste Johnson stated that the process is that it would go to the personnel committee first.

Steve Farrell stated that they have a small staff now and it works for now.

Celeste Johnson stated that the personnel policy will also need her review and it should match the bylaws. She stated that they would like to approve this in the November meeting.

Martha Wingate stated that she is going through other documents to see if they need updates. She stated that the resolution creating the district is more than 40 years old and should be updated and clean up boundary issues.

4. [RB&G Proposal for Cell Wall Repair Cell 4](#). Discuss and possibly approve. Jacob Boone, RB&G

Brad was in attendance for this portion of the meeting.

Dennis Gunn stated that he and Dave saw more water coming out of the cell than they thought should be coming out. They had RB&G come out and do some testing. They would like to check it out further to see what they are dealing with.

Brad Price stated that seepage isn't a big concern if it is monitored. When there is trouble is when you see an increase in the seepage. They could see and hear the leak through the embankment and not from the foundation. We know there is seepage coming through and it is uncontrolled. They would like to dig a test pit to see if there is an open channel. There is a lot of clay and sandy clay and there may be some zone one material in that. They want to do a continuous sample to see what kind of filtering they need to do to protect it. They propose to put a boring on the crest about ten feet to detect a seepage path. Then they would come up with a plan and write a report with what the problem is and recommendations for the fix. There are several things they could do to stop the seepage and they are all dependent on the investigation.

Celeste asked if they could have normal operations during the testing.

Brad Price stated that they could continue.

Jacob Boone stated they are ready to begin the field work within 3 weeks and 2 weeks to come back with a recommendation.

Steve Farrell asked about the cost estimate of \$10,000.

Brad Price stated that they can do the work with the excavator in a day.

Steve Farrell made a motion that they authorize RB&G to go ahead with their investigation and recommendation on how to repair the leak. The motion was seconded by Mike Johnston and the motion passed all in favor.

Celeste Johnson stated that this gives them verbal approval and they can send over the documents to be signed.

5. [Midway Irrigation Lease](#): discuss and possibly approve lease agreement for Midway Irrigation Company to keep parts and equipment on HVSSD facilities. – Dennis Gunn and Mike Kohler

Mike Kohler attended the meeting for this portion of the meeting.

Dennis Gunn stated that Midway Irrigation has a need to store parts and equipment and he has looked around the property with Mike Kohler for possible places to use for storage. They may need to put up a gate also where they would enter.

Mike Kohler stated that currently they are using a storage unit and he feels that if they could put a conex on HVSSD property that would work for them. They would also need a space by the conex to park a backhoe and a dump truck. He stated that the road off Fox Den would be the best place for this.

Dennis Gunn stated that they would sit down with Dave Nuttall to discuss possible areas that would work for them.

Heidi Franco asked about a rental fee for the use of the property.

Steve Farrell stated they would not charge them a fee for this.

Dennis Gunn stated that there is potential down the road for reuse, and it would be helpful if they were working with Midway Irrigation.

Steve Farrell stated that they should have an agreement for the land.

Mike Kohler stated that they currently pay \$200 per month for the storage unit they are using.

Heidi Franco asked about the size of the property they would need.

Mike Kohler stated that they need a small space and access to it.

Celeste Johnson stated that the board is all in agreement with this and suggested that Mike come back next month for the November 10th meeting with the location and size of the piece they will be using. He and Dennis could meet and put together an agreement and could email the information to the board for review and approval.

Celeste Johnson stated that this could be a 3-year contract and then they could look it at the end of the lease to see if it is still working.

6. 2023 Tentative Budget discussion and possible approval

The board reviewed the 2023 tentative budget and addressed concerns and questions from the manager.

Heidi Franco stated that they have worked hard on this and hope that it works for everyone.

Dennis Gunn stated that he has color coded the budget to make it easier to read.

Celeste Johnson suggested that they take a page at a time and go through it.

Dennis Gunn stated that there has been a 3% rollover.

Steve Farrell asked about the revenue line item in the amount of \$2,679,000.

Dennis Gunn stated that the new rate didn't start until August because of the delay of the increase.

Steve Farrell asked about where will they stand revenue for 2022?

Dennis Gunn stated that he is projecting 2.1 for this year. He stated that when the budget was approved it was based on the increase taking place starting in April. It was delayed until August so the actual will be less in 2022.

Steve Farrell stated that they have only collected \$720,000 this year.

Celeste Johnson stated that 2022 was based on the April date for starting and asked Dennis what he projects for this year.

Dennis Gunn stated that this report is numbers as of the end of September and it will increase by the end of the year.

Steve Farrell asked about the 2022 1.8 million for operations.

Dennis Gunn stated that in the budget they are setting aside 1.5 million for repairs and replacement.

The board asked that this be added to the report and that it be placed above impact fees.

Celeste Johnson stated that they should also define this line item with where they will be using the funds for replacement and repairs.

Dennis showed the board the cost per budget year and a formula for how much is to be saved each year for repair and replacement.

Celeste Johnson stated that there should be dates for when things will be replaced.

Steve Farrell stated that there should be a capital replacement fund.

Celeste Johnson stated that wages should be broken out by full time and part time showing who receives benefits and who does not.

Yvonne Barney suggested a correction to the part time employment totals.

Dennis Gunn stated that the budget will be sent out two weeks prior to the budget hearing for public review.

Mike Johnston stated he had recommendations regarding the farm. He stated that he would like to see it have its own profit and loss. It does generate revenue and it should fund itself. He would like to see how it operates as its own entity.

Dennis stated that farm is a part of the treatment facility. The main intention of the farm is not to generate a profit.

Celeste Johnson stated that all the farm revenue should be put back into the farm.

Mike Johnston stated that maybe next year they should separate this out.

Steve Farrell stated that looking at this it shows that there is a revenue for the farm. This type of farm also will have some expenses that are higher than a typical operation.

The board addressed some line items that were different from last year and the reasons for the difference.

Mike Johnston asked about the line item for wages.

Dennis Gunn stated that the part time wage was pulled out from the total and the wage increase was included.

Celeste Johnson stated that the recommended changes could be put into place and sent to the board in time for the budget hearing. After the personnel committee meets Dennis Gunn will add the recommendations from the personnel committee to the wages line item.

Celeste Johnson stated that they should take the CIB bond out of the budget. They have not received it yet. She stated that under impact fees they should have a line for the balance and the impact fee transfer account should balance. They have to show that they have it.

Dennis Gunn stated that the account balance has never been shown on a budget before.

Dennis Gunn stated that an Enterprise Fund does not have to show balances and can carryover money, unlike the cities.

Steve Farrell stated that because it is not tax generated it is different.

Celeste Johnson suggested that Dennis Gunn meet with the accountant to make sure this budget is correct.

Dennis will make the discussed changes and formula fixes and send a copy of the budget to the board members by the 24th. The board will review the changes and reply to Dennis so that he can post the budget with the public notice by October 27th.

Mike Johnston asked for clarification on the revenue and expenses. They will need to balance.

Steve Farrell stated that the line item named "Upgrade Matching Funds" will need to be changed to "Capital Improvement".

Heidi Franco stated that they can update the budget when they get the CIB loan.

Celeste Johnson stated that she would like to see under impact fee a yellow line with the current balance. It should be the same amount as capital improvement transfer.

Celeste Johnson stated that the savings account needs to be accounted for and show where you will spend it. This is how the cities do it to make it transparent.

Steve Farrell stated that an enterprise fund can carry over because it is not tax generated.

Celeste Johnson stated that they should have their financial person go over the budget and make sure everything is correct.

Dennis Gunn stated that they have three accounts. There is the Zions Bank checking account, the PTIF General and the PTIF Impact Fees.

Dennis Gunn stated that there is a general capital projects fund. They will be very close this year. There are projects that include repair and replacement that they will need to take from the capital projects fund to get the work done.

Celeste Johnson stated that, in the budget they have a maintenance and repair fund, that is listed on the budget. There shouldn't be a fund that is not in the budget.

Mike Johnston stated that it goes on the asset sheet not in the expenses and revenue. If they need this money Dennis will come to the board and ask that it be moved into the budget.

Steve Farrell left the meeting.

A motion was made by Yvonne Barney to approve the tentative budget, with the recommended changes, and a review by Ben Probst. The motion was seconded by Mike Johnston and the motion passed.

Celeste Johnson stated that she would like to see Ben Probst at the November meeting to make a statement that he approves of the budget. She will be happy to meet with him and the financial committee.

The financial committee will meet with Ben Probst.

7. **RESOLUTION 2202-01** A RESOLUTION UPDATING THE PERSONNEL COMMITTEE OF THE HEBER VALLEY SPECIAL SERVICE DISTRICT.

A motion was made by Brenda Koslowski to approve Resolution 2022-01. The motion was seconded by Don Huggard and the motion carried.

8. **RESOLUTION 2022-02** A RESOLUTION UPDATING THE NEGOTIATION COMMITTEE OF THE HEBER VALLEY SPECIAL SERVICE DISTRICT.

Heidi Franco stated that the negotiation committee should be called the executive committee. If it is going to be formal, they should think about it.

Mike Johnston stated that different board members could be on the committees.

Brenda Koslowski stated that if someone on the committee has a conflict of interest someone should be able to step in. This is just a resolution to set the purpose of the committee.

Heidi Franco stated that she would like to have the board hear every notification of negotiations.

Brenda Koslowski does not make decisions. They review the issue and bring it back to the board after they have reviewed the issue.

A motion was made by Mike Johnston to approve Resolution 2022-02. The motion was seconded by Don Huggard and the motion carried.

9. **Consideration of closed session pursuant to Utah Code section 52-4-205**
 - ii. (c) Strategy session to discuss the purchase and or sale of real property.

A motion was made by Brenda Koslowski to move into closed session. The motion was seconded by Don Huggard and the motion carried.

A motion was made by Yvonne Barney to move out of closed session. The motion was seconded by Heidi Franco and the motion carried.

DISCUSSION ITEMS:

1. **Manager's Updates.** – Dennis Gunn

2. Other Business

3. Adjourn

A motion was made by Yvonne Barney to adjourn the meeting. The motion was seconded by Heidi Franco and the motion passed unanimously.

Yvonne Barney
Nov 10, 2022

Janet Carson
11-10-22