



BIG PLAINS WATER SPECIAL SERVICE DISTRICT MEETING

BOARD OF DIRECTORS, REGULAR MEETING

1777 N Meadowlark Dr, Apple Valley

Wednesday, April 17, 2024 at 6:00 PM

MINUTES

Chairman | Michael Farrar

Board Members | Harold Merritt | Ross Gregerson | Matt Politte | Kevin Sair

CALL TO ORDER- Chairman Farrar called the meeting to order at 5:59 p.m.

PLEDGE OF ALLEGIANCE

ROLL CALL

PRESENT

Chairman Michael Farrar

Board Member Harold Merritt

Board Member Ross Gregerson

Board Member Matt Politte

Board Member Kevin Sair

DECLARATION OF CONFLICTS OF INTEREST

None declared.

REPORT

Chairman Farrar updated the board on the pipeline, including delays and cost increases due to Buy America requirements and environmental impact studies. Chairman Farrar was pleased to report that environmental impact studies seem favorable and are not expected to cause significant delays or cost increases. Progress was also reported on obtaining easements for the project, with some already signed. Additionally, plans were discussed that the town may purchase a mobile office for the water district, with a cost of around \$10,000 to \$15,000, to provide a separate area for meetings and paperwork. This purchase is seen as beneficial for providing the water district with a dedicated office area, as the current office is deemed too small and limiting.

Board Member Merritt reported that the solar array on the million-gallon tank was changed out to ensure it is functioning properly. It was discussed that piping was needed at Canaan to prevent washing out. A valve on the system, when closed, caused back pressure and led to washout, resulting in eight days of downtime and an \$8,000 cost previously. It was determined that only plumbing was needed to address the problem, and no pressure relief was necessary.

Board Member Gregerson mentioned that a test should be conducted at each of the springs to determine the flow rate, as there may be discrepancies in the current measurements. There was also discussion about acquiring PVC pipe for the road and extending a pipe to prevent erosion. They discussed a plan to check the springs for volume and measure the required pipes for the project.

DISCUSSION AND ACTION

1. Add Signer Michael Farrar to State Bank of Southern Utah.
2. Add online access for Michelle Kinney (Finance Director) to include transfers, with no signer access to State Bank of Southern Utah.



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Chairman Farrar discussed agenda item number one and two together. The first item was to add Chairman Farrar to the signatory list for the State Bank of Utah, and the second item was to provide online access for Michelle Kinney in the finance department. It was clarified that Michelle would not be a signer but would have online access to the accounts for transfers. This arrangement was proposed due to the departure of the former Apple Valley Town Treasurer, Robin Whitmore, who used to handle transfers.

MOTION: Board Member Gregerson motioned we add Michael Farrar to signer on the State Bank of Southern Utah account and to add Michelle Kinney access to the account but not signer.

SECOND: The motion was seconded by Board Member Merritt.

VOTE: Chairman Farrar called for a vote:

Board Member Merritt - Aye
Board Member Gregerson - Aye
Chairman Farrar - Aye
Board Member Sair - Aye
Board Member Politte - Aye

The vote was unanimous and the motion carried.

3. FY2023 Audit.

Chairman Farrar discussed the FY2023 audit. It was noted that all requirements were met, and the audit was approved, although it took some time to resolve issues. The district's financial struggles, including debt of \$4.5 million and limited revenue sources. However, efforts were made to address these concerns, including auditors found restricted funds that could be liquidated to buy time, but long-term solutions are needed to address debt. The audit revealed that while revenue increased by \$87,000, spending increased by \$160,000, mainly due to legal and engineering costs. Plans were discussed to reduce these costs moving forward.

Chairman Farrar is working on securing loan forgiveness and debt forgiveness to alleviate the financial burden. If forgiveness cannot be obtained, there may be a need to increase rates, particularly for higher water users, although this is considered a last resort. While the district has enough reserve cash to make loan payments for two years, the situation is considered critical beyond that.

Budgets were also discussed, with a balanced budget achieved except for the loan payments. Plans are being made to address the financial challenges moving forward.

MOTION: Board Member Gregerson motioned that we approve the 2023 Financial Audit.

SECOND: The motion was seconded by Board Member Sair.



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VOTE: Chaiman Farrar called for a vote:

Board Member Merritt - Aye
Board Member Gregerson - Aye
Chaiman Farrar - Aye
Board Member Sair- Aye
Board Member Politte - Aye

The vote was unanimous and the motion carried.

4. Real Estate Purchase Agreement.

Chairman Farrar discussed the real estate purchase agreement for half acre needed for the pipeline project, agreeing to pay \$5,000 for easements despite budget constraints. The purchase price of \$5,000 for the easements is about 25% of the actual value. The agreement is being finalized, with the warranty trust deed expected to be completed within a few weeks.

MOTION: Board Member Gregerson motioned that we proceed with the Real Estate Purchase Agreement.

SECOND: The motion was seconded by Board Member Sair.

VOTE: Chaiman Farrar called for a vote:

Board Member Merritt - Aye
Board Member Gregerson - Aye
Chaiman Farrar - Aye
Board Member Sair- Aye
Board Member Politte - Aye

The vote was unanimous and the motion carried.

5. Resolution BPW-R-2024-05, District Employee Handbook yearly update.

Chairman Farrar discussed the update aligns the district's policies on vacations and other benefits with those of the town, ensuring consistency. The update also involved minor housekeeping changes, such as correcting words and removing outdated titles.

MOTION: Board Member Merritt motioned we accept the Big Plains Water Special Service District, Resolution BPW-R-2024-05, the Employee Handbook.



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SECOND: The motion was seconded by Board Member Sair.

VOTE: Chaiman Farrar called for a Roll Call vote:

Board Member Merritt - Aye
Board Member Gregerson - Aye
Chaiman Farrar - Aye
Board Member Sair- Aye
Board Member Politte - Aye

The vote was unanimous and the motion carried.

6. Resolution-BPW-R-2024-06, Appointment of District Officer (Vice Chairman).

Resolution-BPW-R-2024-06, was discussed, which pertains to the appointment of a new vice chairman for the district officer position. Currently, Harold Merritt holds this position but has expressed a desire to step down. Board Member Kevin Sair has been nominated and has agreed to take on the role. The board expressed gratitude to both Harold and Kevin for their willingness to serve in these positions.

MOTION: Chairman Farrar motioned we approve Kevin Sair, Resolution-BPW-R-2024-06, Appointment of District Officer (Vice Chairman).

SECOND: The motion was seconded by Board Member Gregerson.

VOTE: Chaiman Farrar called for a Roll Call vote:

Board Member Merritt - Aye
Board Member Gregerson - Aye
Chaiman Farrar - Aye
Board Member Sair- Aye
Board Member Politte - Aye

The vote was unanimous and the motion carried.

7. Resolution-BPW-R-2024-07, (PTIF) Utah Public Treasurers' Investment Fund Certification Of Authorized Individuals.

Resolution-BPW-R-2024-07 was discussed. The resolution includes a change in authorized users, specifically removing Robin Whitmore, former Apple Valley, Town Treasurer and adding Chairman Farrar. Chairman Farrar will now be able to transmit funds between the PTIF (Public Treasurer's



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Investment Fund) accounts and the operating accounts. Michelle Kinney, Finance Director, is designated as an authorized user for online management.

MOTION: Board Member Gregerson motioned we approve Resolution-BPW-R-2024-07.

SECOND: The motion was seconded by Board Member Merritt.

VOTE: Chaiman Farrar called for a Roll Call vote:

Board Member Merritt - Aye
Board Member Gregerson - Aye
Chaiman Farrar - Aye
Board Member Sair- Aye
Board Member Politte - Aye

The vote was unanimous and the motion carried.

8. Transfer of 2005 Bombardier Traxter Max 650 CVT from Big Plains Water SSD to the Town of Apple Valley.

The board discussed the Bombardier wasn't in use and Board Member Sair proposed using it, possibly for a sprayer. It was suggested to transfer it since it wasn't being used by the water district. The Bombardier is currently being repaired, and once it's ready, it will be available for use when needed.

MOTION: Board Member Merritt moved that we transfer the Bombardier Traxter Max from the Service District to the Town of Apple Valley.

SECOND: The motion was seconded by Board Member Sair.

VOTE: Chaiman Farrar called for a vote:

Board Member Merritt - Aye
Board Member Gregerson - Aye
Chaiman Farrar - Aye
Board Member Sair- Aye
Board Member Politte - Aye

The vote was unanimous and the motion carried.

CONSENT AGENDA

9. Disbursement Listing for March 2024.



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10. Budget Report for Fiscal Year 2024 through March 2024.
11. March 2024 Water Usage Comparison.
12. Approval of Minutes: March 28, 2024.

The board discussed the Consent Agenda together for approval, including disbursements, the budget, water usage, and approval of minutes. A question was raised about a \$9,000 payment to USDA Rural Development, clarified as a loan payment. Chairman Farrar explained that the budget appeared to be over by \$19,000, but this was due to previously restricted cash that was now freed up. The district spent \$8,000 on water testing for the year and discussed ways to save on costs, particularly regarding legal and engineering fees. The water usage was reported to be fairly consistent, with a slight decrease in sales possibly due to conservation efforts during a previous water issue.

MOTION: Board Member Gregerson motioned that we approve the BPW March 2024 Disbursement Listing, the BPW March 2024 Budget record, the March 2024 Water Usage Comparison, and the 3.28.24 draft minutes of the Big Plains Water Special Service meeting.

SECOND: The motion was seconded by Board Member Merritt.

VOTE: Chairman Farrar called for a vote:

Board Member Merritt - Aye
Board Member Gregerson - Aye
Chairman Farrar - Aye
Board Member Sair - Aye
Board Member Politte - Aye

The vote was unanimous and the motion carried.

REQUEST FOR A CLOSED SESSION: IF NECESSARY

No request.

ADJOURNMENT

MOTION: Board Member moved we adjourn.

SECOND: The motion was seconded by Board Member Gregerson.

VOTE: Chairman Farrar called for a Roll Call vote:

Board Member Merritt - Aye



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Board Member Gregerson - Aye

Chairman Farrar - Aye

Board Member Sair - Aye

Board Member Politte - Aye

The vote was unanimous and the motion carried.

The meeting was adjourned at 6:34 p.m.

Date Approved: _____

Approved BY: _____

Chairman | Michael Farrar

Attest BY: _____

Clerk/Recorder | Jenna Vizcardo