



BIG PLAINS WATER SPECIAL SERVICE DISTRICT MEETING AND HEARING

BOARD OF DIRECTORS, REGULAR MEETING
1777 N Meadowlark Dr, Apple Valley
Wednesday, July 17, 2024 at 6:00 PM

AGENDA

Notice is given that a meeting of the Water District of the Town of Apple Valley will be held on **Wednesday, July 17, 2024**, commencing at **6:00 PM** or shortly thereafter at **1777 N Meadowlark Dr, Apple Valley**.

Chairman | Michael Farrar

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

Please be advised that the meeting will be held electronically and broadcast via Zoom. Persons allowed to comment during the meeting may do so via Zoom. Login to the meeting by visiting:

<https://us02web.zoom.us/j/82661513795>

if the meeting requests a password use 1234

To call into meeting, dial (253) 215 8782 and use Meeting ID 8266151 3795

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

DECLARATION OF CONFLICTS OF INTEREST

CHAIR REPORT

PUBLIC HEARING

1. Resolution-BPW-R-2024-14, Amending Section 01.20.040 Cost Of Services Of The Policy And Procedures Manual.

DISCUSSION AND ACTION

- [2.](#) Resolution-BPW-R-2024-14, Amending Section 01.20.040 Cost Of Services Of The Policy And Procedures Manual.
- [3.](#) Property Insurance with Utah Trust.

CONSENT AGENDA

- [4.](#) Disbursement Listing for June 2024.
- [5.](#) Budget Report for Fiscal Year 2024 through June 2024.
- [6.](#) June 2024 Water Usage Comparison.
- [7.](#) Approval of Minutes: June 26, 2024.
- [8.](#) Approval of Minutes: June 19, 2024.

REQUEST FOR A CLOSED SESSION

ADJOURNMENT

THE PUBLIC IS INVITED TO PARTICIPATE IN ALL COMMUNITY EVENTS AND MEETINGS

In compliance with the Americans with Disabilities Act, individuals needing special accommodations (including auxiliary communicative aids and services) during this meeting should notify the Town at 435-877-1190 at least three business days in advance.

CERTIFICATE OF POSTING: I, Jenna Vizcardo, as duly appointed Recorder for the Town of Apple Valley, hereby certify that this Agenda was posted at the Apple Valley Town Hall, the Utah Public Meeting Notice website <http://pmn.utah.gov>, and the Town Website www.applevalleyut.gov.

BIG PLAINS WATER SPECIAL SERVICE DISTRICT

RESOLUTION NO. BPW-R-2024-14

A RESOLUTION AMENDING SECTION 01.20.040 COST OF SERVICES OF THE POLICY AND PROCEDURES MANUAL

WHEREAS, the Big Plains Water Special Service District ("District") has adopted a policy and procedures manual; and

WHEREAS, the District Board deems it necessary and appropriate that such Policy and Procedures Manual be amended; and

WHEREAS, the District deems it necessary to amend section 01.20.040 Cost Of Services, and;

WHEREAS, at a meeting of the District, duly called, noticed and held on the 17th day of July 2024, and upon motion duly made and seconded:

NOW, THEREFORE, IT IS HEREBY RESOLVED by the District that the Policy and Procedures Manual is hereby amended to reflect the changes attached hereto.

PASSED this 17th day of July 2024.

BIG PLAINS WATER SPECIAL SERVICE DISTRICT

Chairman, Michael L. Farrar

ATTEST:

Recorder, Jenna Vizcardo

	AYE	NAY	ABSENT	ABSTAIN
Chairman Michael Farrar	_____	_____	_____	_____
Board Member Harold Merritt	_____	_____	_____	_____
Board Member Ross Gregerson	_____	_____	_____	_____
Board Member Matt Politte	_____	_____	_____	_____
Board Member Kevin Sair	_____	_____	_____	_____

SECTION 1: AMENDMENT “01.20.040 Cost Of Services” of the Apple Valley Water & Sewer District is hereby *amended* as follows:

BEFORE AMENDMENT

01.20.040 Cost Of Services

COST OF SERVICES

- Application Processing Fee \$125
- Well Permit Fee \$250
- Engineering Actual Cost
- Inspections \$60/Hour
- Will Serve Letters \$80.00 Initial Fee (1/2 hour), \$75.50 for Additional Half Hours
- Call-Outs \$60 First Hour Minimum / \$80 Additional Hours
- Equipment Actual Cost
- Late Notice Fee \$5
- Service Restoration Fee \$50
- Interest Charges 5%/Month

AFTER AMENDMENT

01.20.040 Cost Of Services

COST OF SERVICES

- Application Processing Fee \$125
- Well Permit Fee \$250
- Engineering Actual Cost
- Inspections \$60/Hour
- Will Serve Letters \$81.00 ~~80.00~~ Initial Fee (1/2 hour), \$81.00 ~~75.50~~ for Additional Half Hours
- Call-Outs \$60 First Hour Minimum / \$80 Additional Hours
- Equipment Actual Cost
- Late Notice Fee \$5
- Service Restoration Fee \$50
- Interest Charges 5%/Month

Insurance Coverage General Term Sheet

Coverage and limits will be governed by the terms and conditions of your policies. This quote is valid through 7/17/24.

- 1. Insured: Big Plains Water Special Service District
- 2. Coverage Type: Property
- 3. Total Insured Value: \$2,589,250
- 4. Coverage Term: 7/17/24 - 6/30/2025 (subsequent renewals on 7/1 annually)
- 5. Annual Premium: \$2,941 (to be prorated from 7/17/24 - 6/30/2025)
- 6. Big Plains Water Special Service District retains the right to any rate reductions offered by the Trust during policy term

Order to bind insurance coverage:

Approved By _____
Date

Name, Title

Federal Tax ID#

Steven A. Hansen CEO _____
Date

**Big Plains Water Special Service District
Disbursement Listing
Checking - SBSU Operating - 06/01/2024 to 06/30/2024**

Item 4.

<u>Payee Name</u>	<u>Reference Number</u>	<u>Payment Date</u>	<u>Payment Amount</u>	<u>Void Date</u>	<u>Void Amount</u>	<u>Source</u>
Payroll	0614241200	06/14/2024	\$1,823.23			Paycheck
Payroll	0628241200	06/28/2024	\$1,823.23			Paycheck
Buck's Ace	1548	06/17/2024	\$99.45			Purchasing
ChemTech-Ford Laboratories	1549	06/17/2024	\$450.00			Purchasing
Pelorus Methods	1550	06/17/2024	\$500.00			Purchasing
Town of Apple Valley	1551	06/17/2024	\$240.19			Purchasing
Ruesch & Reeve	1552	06/17/2024	\$150.00			Purchasing
Public Employees Health Program	1553	06/17/2024		06/17/2024	\$628.12	Payroll
Southwest Utah Public Health Departme	1553	06/17/2024	\$175.00			Purchasing
Internal Revenue Service	EFTPS0618202	06/18/2024	\$553.70			Payroll
Internal Revenue Service	EFTPS6282024	06/28/2024	\$553.70			Payroll
Health Equity	HE6142024	06/14/2024	\$1.80			Purchasing
Rocky Mountain Power Company	RMP06142024	06/14/2024	\$1,294.10			Purchasing
State Bank of Southern Utah	SBSU06182024	06/18/2024		06/18/2024	\$117.59	Purchasing
State Bank of Southern Utah	SBSU6182024	06/18/2024	\$117.69			Purchasing
State Bank of Southern Utah	SBSU6282024	06/28/2024	\$8.00			Purchasing
USDA Rural Development	USDA06172024	06/14/2024	\$9,271.00			Purchasing
USDA Rural Development	USDA6172024	06/14/2024	\$1,269.00			Purchasing
			\$18,330.09		\$745.71	

Big Plains Water Special Service District
Operational Budget Report
51 Big Plains Water & Sewer SSD - 07/01/2023 to 06/30/2024
100.00% of the fiscal year has expired

	Prior YTD	Current Month	Current YTD	Annual Budget	Percent Used
Income or Expense					
Income From Operations:					
Operating income					
5140 Water Sales	339,341.29	35,112.69	377,920.25	361,600.00	104.51%
5150 Water Standby Fees	36,194.87	2,711.34	34,270.96	36,300.00	94.41%
5310 Connection Fees	6,630.00	0.00	10,110.00	9,000.00	112.33%
5410 Late Penalties and Fees	3,499.06	283.00	3,061.55	5,000.00	61.23%
5490 Other Operating Income	124,488.98	12,320.00	19,286.86	2,250.00	857.19%
Total Operating income	510,154.20	50,427.03	444,649.62	414,150.00	107.36%
Operating expense					
6010 Clerical Contractor Labor	0.00	0.00	410.90	300.00	136.97%
6011 Town Interlocal Agreement Costs	15,932.46	0.00	29,802.29	44,350.00	67.20%
6013 Water Salaries and Wages	43,769.99	4,615.40	16,531.96	18,065.00	91.51%
6014 Water Benefits	16,863.34	354.88	3,533.49	6,000.00	58.89%
6023 Travel	314.71	0.00	269.73	800.00	33.72%
6024 Training	295.00	0.00	1,102.37	1,200.00	91.86%
6025 Books/Subscriptions/Memberships	2,903.30	0.00	2,360.00	2,800.00	84.29%
6030 Admin Supplies and Expenses	6,951.89	532.75	18,872.43	5,000.00	377.45%
6032 Postage	8.10	0.00	340.33	200.00	170.17%
6035 Bank Service Charges	25.00	8.00	8.00	100.00	8.00%
6040 Professional Service	50,127.15	0.00	20,580.90	25,000.00	82.32%
6043 Accounting & Audit Fees	13,200.00	0.00	18,500.00	16,100.00	114.91%
6044 Water Testing	11,572.98	625.00	7,797.22	8,000.00	97.47%
6045 Legal Fees	19,917.85	150.00	36,115.00	35,000.00	103.19%
6050 System Maintenance and Repairs	17,186.31	0.00	9,956.07	10,000.00	99.56%
6051 System Equipment	14,973.85	0.00	16,833.85	11,000.00	153.04%
6052 Well Maintenance and Repairs	58,997.10	0.00	19,917.90	22,000.00	90.54%
6053 Tank Maintenance and Repairs	1,259.83	0.00	951.86	1,000.00	95.19%
6054 Hydrant Testing & Maintenance	0.00	0.00	9,470.00	0.00	0.00%
6060 Equipment Costs Other than Fuel	5,995.33	375.94	9,214.30	9,000.00	102.38%
6061 Equipment Fuel	6,443.45	48.64	1,316.82	2,000.00	65.84%
6067 Utilities	19,974.95	1,294.10	15,947.05	24,200.00	65.90%
6068 Telephone & Internet	0.00	0.00	1,358.82	1,500.00	90.59%
6070 Insurance	10,699.35	0.00	1,831.86	6,600.00	27.76%
6095 Depreciation Expense	138,494.38	13,463.78	158,541.82	145,000.00	109.34%
Total Operating expense	455,906.32	21,468.49	401,564.97	395,215.00	101.61%
Total Income From Operations:	54,247.88	28,958.54	43,084.65	18,935.00	227.54%
Non-Operating Items:					
Non-operating income					
5510 Grants	207,973.93	0.00	26,740.00	0.00	0.00%
5520 Impact Fees	34,894.09	0.00	68,576.00	60,000.00	114.29%
5610 Interest Income	8,087.38	1,025.27	12,003.66	7,800.00	153.89%
5690 Sundry Revenue	0.00	0.00	(6.00)	100.00	-6.00%
Total Non-operating income	250,955.40	1,025.27	107,313.66	67,900.00	158.05%
Non-operating expense					
6080 Interest Expense	89,415.89	6,946.37	83,118.60	87,110.00	95.42%
Total Non-operating expense	89,415.89	6,946.37	83,118.60	87,110.00	95.42%
Total Non-Operating Items:	161,539.51	(5,921.10)	24,195.06	(19,210.00)	-125.95%
Total Income or Expense	215,787.39	23,037.44	67,279.71	(275.00)	-24,465.35%

Big Plains Water Special Service District

WATER USAGE ANALYSIS

	COMPARABLE ACCTS			TOTAL SYSTEM		
	2023/2022	2022/2021	Over/ (Under)	2023/2022	2022/2021	Over/ (Under)
JUL 2022	6,117,230	6,451,930	(334,700)	8,059,327	6,572,750	1,486,577
AUG	4,484,140	6,052,550	(1,568,410)	5,337,420	6,073,830	(736,410)
SEP	4,465,090	6,266,750	(1,801,660)	5,540,460	6,304,990	(764,530)
OCT	3,002,500	2,967,370	35,130	3,813,180	2,971,340	841,840
NOV	1,656,380	2,797,940	(1,141,560)	2,327,480	2,900,120	(572,640)
DEC	2,293,220	2,507,480	(214,260)	2,956,200	2,556,930	399,270
JAN 2023	1,543,380	1,671,920	(128,540)	2,406,879	1,675,760	731,119
FEB	1,418,710	1,534,640	(115,930)	1,715,637	1,549,020	166,617
MAR	1,394,930	2,553,470	(1,158,540)	1,599,322	2,590,750	(991,428)
APR	3,974,645	3,419,640	555,005	5,297,632	3,453,490	1,844,142
MAY	5,551,174	5,423,820	127,354	6,129,554	5,533,460	596,094
JUNE	6,252,024	7,173,918	(921,894)	6,566,554	7,778,244	(1,211,690)
FY2023 SUBTOTALS	42,153,423	48,821,428	(6,668,005)	51,749,645	49,960,684	1,788,961
	2024/2023	2023/2022	Over/ (Under)	2024/2023	2023/2022	Over/ (Under)
JULY 2023	5,123,809	5,898,027	(774,218)	5,842,633	6,331,327	(488,694)
AUG	6,141,865	5,063,370	1,078,495	6,441,915	5,211,090	1,230,825
SEP	3,788,901	5,161,060	(1,372,159)	3,981,642	5,390,410	(1,408,768)
OCT	4,291,217	3,599,910	691,307	5,033,377	3,654,850	1,378,527
NOV	1,794,348	1,714,050	80,298	3,253,550	2,248,490	1,005,060
DEC	2,406,783	2,793,370	(386,587)	2,614,903	2,854,790	(239,887)
JAN 2024	1,321,046	1,356,140	(35,094)	2,235,026	1,639,460	595,566
FEB	1,532,848	1,600,597	(67,749)	1,706,948	1,625,727	81,221
MAR	2,372,460	1,485,922	886,538	2,611,600	2,684,412	(72,812)
APR	3,676,862	3,485,139	191,723	4,257,702	622,117	3,635,585
May	5,386,675	5,235,475	151,200	7,009,552	2,853,814	4,155,738
JUNE	6,107,927	5,666,260	441,667	16,583,362	13,942,894	2,640,468
FY2024 SUBTOTALS	43,944,741	43,059,320	885,421	61,572,210	49,059,381	12,512,829

Comparable Accounts: Had usage in both years

Total System: All usage



SPECIAL BIG PLAINS WATER SPECIAL SERVICE DISTRICT MEETING

BOARD OF DIRECTORS, REGULAR MEETING
1777 N Meadowlark Dr, Apple Valley
Wednesday, June 26, 2024 at 5:30 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 5:32 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.

DISCUSSION AND ACTION

1. Resolution-BPW-R-2024-13, Adopting Section 01.22.00 Storage Tanks.

Chairman Farrar discussed adopting section 01.22.00 regarding storage tanks. It was noted that the requirements were believed to be included previously but were not. All water storage tanks for the Big Plains Water Special Service District must be constructed with cement and comply with Utah Division of Drinking Water Standards (R309-545). The board had no further input, questions, or concerns.

Motion: Board Member Gregerson motioned that we adopt Resolution-BPW-R-2024-13.

Motion made by Board Member Gregerson, Seconded by Board Member Sair.

Roll Call Voting Yea: Chairman Farrar, Board Member Merritt, Board Member Gregerson, Board Member Politte, Board Member Sair

The vote was unanimous and the motion carried.

2. Water Agreement for Hidden Rock Development Group LLC (Oculita Roca).

Chairman Farrar reviewed the amended water agreement, noting that the only change was the removal of the \$600,000 cap in item 4.1. The revised agreement specifies that the developer is responsible for constructing the water tank up to a 600,000-gallon capacity. This adjustment was necessary due to the rising costs of construction materials, with a 1-million-gallon tank estimated at \$1.3 million for steel and \$1.7 million for cement. The board agreed that cement is the preferred material, consistent with practices of other districts. The developer accepted the change, ensuring coverage for potential inflation



SPECIAL BIG PLAINS WATER SPECIAL SERVICE DISTRICT MEETING

BOARD OF DIRECTORS, REGULAR MEETING
1777 N Meadowlark Dr, Apple Valley
Wednesday, June 26, 2024 at 5:30 PM

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over the project's duration. The board expressed satisfaction with the resolution and approved the amended agreement.

Motion: Board Member Gregerson motioned that we approve the Oculita Roca Water Agreement 6-20-24.

Motion made by Board Member Gregerson, Seconded by Board Member Merritt.

Voting Yea: Chairman Farrar, Board Member Merritt, Board Member Gregerson, Board Member Politte, Board Member Sair

The vote was unanimous and the motion carried.

CONSENT AGENDA

3. Disbursement Listing for May 2024.
4. Budget Report for Fiscal Year 2024 through May 2024.
5. May 2024 Water Usage Comparison.

The board reviewed the disbursement listing, confirming that all funds had been allocated appropriately. The Budget Report for Fiscal Year 2024 through May 2024 was presented with a minor correction to the date. The initial report in the packet incorrectly stated the period as 5/1/24 to 5/31/24. The corrected report covered the period from 7/1/23 to 5/31/24.

Motion: Chairman Farrar motioned that we approve the Disbursement Listing for May 2024, the Budget Report for Fiscal Year 2024 through May 2024 as presented, and the May 2024 Water Usage Comparison.

Motion made by Chairman Farrar, Seconded by Board Member Merritt.

Voting Yea: Chairman Farrar, Board Member Merritt, Board Member Gregerson, Board Member Politte, Board Member Sair

The vote was unanimous and the motion carried.

REQUEST FOR A CLOSED SESSION

No request.

ADJOURNMENT

Motion made by Board Member Merritt, Seconded by Board Member Gregerson.

Voting Yea: Chairman Farrar, Board Member Merritt, Board Member Gregerson, Board Member Politte, Board Member Sair



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The vote was unanimous and the motion carried.

Meeting adjourned at 5:39 p.m.

Date Approved: _____

Approved BY: _____

Chairman | Michael Farrar

Attest BY: _____

Clerk/Recorder | Jenna Vizcardo

DRAFT



**BIG PLAINS WATER SPECIAL SERVICE DISTRICT PUBLIC
HEARING AND MEETING
BOARD OF DIRECTORS, REGULAR MEETING
1777 N Meadowlark Dr, Apple Valley
Wednesday, June 19, 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 6:00 p.m.

PLEDGE OF ALLEGIANCE

ROLL CALL

PRESENT

Chairman Michael Farrar

Board Member Harold Merritt

Board Member Ross Gregerson arrived at 6:05 p.m.

Board Member Matt Politte

Board Member Kevin Sair

Chairman Stated Ross will be here in 5 minutes.

DECLARATION OF CONFLICTS OF INTEREST

None declared by board members present. Board Member Ross Gregerson arrived at 6:05 p.m. and declared no conflicts of interest.

CHAIR REPORT

Chairman Farrar mentioned that the pipeline project was ongoing. An archaeological test was scheduled for the following week, which was considered the last major obstacle.

PUBLIC HEARING

1. Water Base Rate and Standby Fee Increase, Usage Fees Increase, Bulk Water Rate Increase, and Water Right Buy In Increase.

Chairman Farrar opened the public hearing for the Water Base Rate and Standby Fee Increase, Usage Fees Increase, Bulk Water Rate Increase, and Water Right Buy In Increase.

Jill Writhin, resident of AV asked why the rates are increasing.

Chairman Farrar discussed the upcoming budget, highlighting that the water district was approximately \$4.5 million in debt. The current charges did not cover the bills, leaving a shortfall of about \$125,000 annually. The Chairman explained that the water district operates as a private business and is not taxpayer-funded, meaning rates must reflect the necessary income to cover expenses. Despite thoroughly reviewing the budget to eliminate wasteful spending, the Chairman mentioned that engineering reports from about six years ago recommended raising water rates to the current needed levels. However, this recommendation was delayed as long as possible, but the rate increase can no longer be postponed.

The town clerk noted that the public hearing had been properly posted for 30 days.



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Chairman Farrar explained that many residents understood the necessity of the rate increase, despite its unpopularity, to avoid state intervention, which would result in even higher rates. A board member praised the water district's past efforts to manage on limited resources.

The town clerk confirmed that Board Member Ross Gregerson, present at the meeting at 6:05 p.m., had no conflicts of interest. The meeting then proceeded back into the public hearing.

Chairman Farrar closed the public hearing for the Water Base Rate and Standby Fee Increase, Usage Fees Increase, Bulk Water Rate Increase, and Water Right Buy In Increase.

2. Adoption of the FY2025 Budget, Amendment of the FY2024 Budget, and Approval of the FY2025 Enterprise Fund Transfer.

Chairman Farrar opened the public hearing for the Adoption of the FY2025 Budget, Amendment of the FY2024 Budget, and Approval of the FY2025 Enterprise Fund Transfer.

No public comments.

Chairman Farrar closed the public hearing for the Adoption of the FY2025 Budget, Amendment of the FY2024 Budget, and Approval of the FY2025 Enterprise Fund Transfer.

DISCUSSION AND ACTION

Chairman Farrar announced the start of the discussion and action segment, noting a change in the agenda to have discussion and action on agenda item four the interlocal agreement before discussing the budget, agenda item five, since the agreement impacts the budget.

3. Resolution-BPW-R-2024-10, Water Base Rate and Standby Fee Increase, Usage Fees Increase, Bulk Water Rate Increase, and Water Right Buy In Increase.

Chairman Farrar introduced the resolution for water base rate and standby rate increases, bulk water rate increases, and water right buy-in increases, clarifying a typo in the documents provided. The document was presented at the meeting. (attachment a)

The proposed changes included raising the base rate from \$49 to \$75 per month, which also covered standby payments. New tiers were added for larger water users, but these changes would minimally affect most residents. The standby fee for commercial properties was also set to increase, aligning with the new rates. Additionally, the water right buy-in was proposed to increase from \$6,000 to \$10,000, and the bulk water meter charge was to increase from \$4 to \$8 per 1,000 gallons.

Chairman Farrar explained that these changes were necessary to address the annual shortfall and maintain financial stability.



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The board discussed discretion in selling water rights to developers, to which the Chairman Farrar confirmed that the district reserved the right to decide whether to sell or retain its water rights. Chairman Farrar also highlighted that impact fees intended for system maintenance had been used to pay off debt, leading to insufficient funds for necessary infrastructure repairs.

The discussion concluded with an acknowledgment of the financial challenges and the need for the proposed changes.

Motion: Board Member Sair motioned we approve Resolution-BPW-R-2024-10, Water Base Rate and Standby Fee Increase, Usage Fees Increase, Bulk Water Rate Increase, and Water Right Buy In Increase, with the presented changes that the Chairman presented. (attachment a)

Motion made by Board Member Sair, Seconded by Board Member Gregerson.

Voting Yea (Roll Call): Chairman Farrar, Board Member Merritt, Board Member Gregerson, Board Member Politte, Board Member Sair

The vote was unanimous and the motion carried.

5. Resolution-BPW-R-2024-11, Interlocal Agreement with the Town of Apple Valley.

Chairman Farrar introduced the discussion and action on Resolution BPW-R-2024-11, which pertains to the interlocal agreement with the Town of Apple Valley. Chairman Farrar aimed to simplify operations by instituting a flat annual rate of \$60,000 to cover various expenses and services, eliminating the need for detailed tracking and invoicing.

This flat rate includes:

- Use of town personnel, including clerks, accounting, billing, administration, and CPA services.
- Shared water system maintenance.
- Office expenses such as electricity, supplies, postage, telecommunication, and website maintenance.
- Equipment usage and fuel, including backhoes and dump trucks.

Additionally, the water district would charge the town for water usage as a regular customer, improving record accuracy and audit clarity. Charman Farrar discussed an updated agreement was presented with legal and contractual changes, specifically designating different signatories for the town and the water district to avoid conflicts of interest, with Board Member and Treasurer Ross Gregerson signing for the water district and Chairman Farrar signing for the town. (attachment b)

Board members discussed and confirmed these changes, ensuring everything was included in the new agreement and integrated into the budget. The conversation emphasized the need to streamline operations and avoid the complexities of detailed tracking. Chairman Farrar confirmed that all necessary



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elements were accounted for in the new agreement, and the board prepared to move forward with the resolution as there were no questions or concerns.

Motion: Board Member Gregerson motioned that we approve BPW-R-2024-11, Interlocal Agreement with presented changes. (attachment b)

Motion made by Board Member Gregerson, Seconded by Board Member Merritt.

Voting Yea (Roll Call): Chairman Farrar, Board Member Merritt, Board Member Gregerson, Board Member Politte, Board Member Sair

The vote was unanimous and the motion carried.

4. Resolution-BPW-R-2024-09, Adoption of the FY2025 Budget, Amendment of the FY2024 Budget, and Approval of the FY2025 Enterprise Fund Transfer.

Chairman Farrar presented two budget scenarios: one without the rate increase, which would result in a shortfall of approximately \$124,000, and one with the rate increase, which would yield a positive balance of \$2,777.

Board Member Sair noted a significant drop in water revenue compared to previous figures, highlighting the importance of the rate increase. Chairman Farrar confirmed that the second budget scenario, which includes the rate increase, was more favorable and had been adjusted to reflect the new internal costs and reduced professional and legal fees. The importance of the rate increases to avoid a deficit was emphasized. The board members had no additional questions, comments or concerns.

Motion: Board Member Gregerson motioned on number four BPW-R-2024-09, Adoption of the FY2025 Budget, Amendment of the FY2024 Budget, and Approval of the FY2025 Enterprise Fund Transfer.

Motion made by Board Member Gregerson, Seconded by Board Member Sair.

Voting Yea (Roll Call): Chairman Farrar, Board Member Merritt, Board Member Gregerson, Board Member Politte, Board Member Sair

The vote was unanimous and the motion carried.

6. Resolution-BPW-R-2024-12, Adopt Qualified Small Employer Health Reimbursement Arrangement Plan (QSEHRA).

Chairman Farrar explained that this arrangement, similar to the one used by the town, would save money. The town had already been saving with this plan, and adopting it for the water district would ensure uniformity and cost efficiency.



**BIG PLAINS WATER SPECIAL SERVICE DISTRICT PUBLIC
HEARING AND MEETING
BOARD OF DIRECTORS, REGULAR MEETING
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Wednesday, June 19, 2024 at 6:00 PM**

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It was confirmed that this arrangement would align the water district's health reimbursement with the town's, simplifying insurance processes and potentially reducing costs. The town clerk clarified that this plan would reimburse medical expenses only if used, providing flexibility for employees.

Motion: Board Member Sair motioned we approve Resolution-BPW-R-2024-12, Adopt Qualified Small Employer Health Reimbursement Arrangement Plan (QSEHRA).

Motion made by Board Member Sair, Seconded by Board Member Merritt.

Voting Yea (Roll Call): Chairman Farrar, Board Member Merritt, Board Member Gregerson, Board Member Politte, Board Member Sair

The vote was unanimous and the motion carried.

7. Approval for Dan Harsh (Water Operator) and Michael L. Farrar (Chairman) to be issued credit cards with State Bank of Southern Utah.

The board discussed the proposal, noting that these credit cards would have limits similar to those already in use. Chairman Farrar emphasized the necessity of these cards for operational efficiency.

Motion: Board Member Gregerson motioned we approve the issuance of credit cards to Dan Harsh and Michael Farrar for State Bank of Southern Utah.

Motion made by Board Member Gregerson, Seconded by Board Member Merritt.

Voting Yea: Chairman Farrar, Board Member Merritt, Board Member Gregerson, Board Member Politte, Board Member Sair

The vote was unanimous and the motion carried.

8. Water Agreement for Hidden Rock Development Group LLC (Oculta Roca).

Chairman Farrar discussed finalizing a water agreement for Hidden Rock Development, LLC, which has been in progress for several months. Chairman Farrar mentioned input received from Board Member Merritt and highlighted the legal aspects of the agreement. The agreement involves the district providing water service. Hidden Rock Development desires to convert some water rights for secondary water use and will design and construct pipelines to comply with local laws. Options for pipeline size were discussed, with a preference for a 12-inch pipe to ensure adequate water distribution.

Council Member Merritt raised concerns about the need to meter irrigation water from developer-owned wells to protect the town's aquifer. Chairman Farrar confirmed that the district will only manage culinary water and not accept irrigation. The developer is also responsible for constructing a concrete water tank of up to 600,000 gallons capacity, with potential financial support from the town for additional capacity if needed. Discussions also touched on potential future phases of the project and the consideration of a Public Improvement District (PID) for funding.



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During the meeting, Board Member Sair expressed concern about cost estimates for the water tank and whether it could be built for less than \$600,000. Chairman Farrar clarified that legally, the developer is required to install a 250,000-gallon tank, but they are volunteering to fund a larger tank to 600,000 gallons, which would save money due to rerouting their bridge onto county roads. Chairman Farrar emphasized that phase two of the project, involving 10 and 20-acre ranches with low density, is likely to proceed smoothly, with minimal opposition expected.

Board Member Gregerson echoed concerns about the tank's cost exceeding \$600,000 but acknowledged the legal requirement for the developer to install only what's necessary, which is 250,000 gallons. Chairman Farrar highlighted the town's feasibility study confirming adequate water capacity and mentioned plans to set aside any excess funds if phase two is approved, ensuring they can be used for future projects.

Chairman Farrar and council members discussed various aspects of the agreement, including the capacity and cost of the water tank, responsibilities of the developers, and potential financial implications for the town.

1. **Capacity and Cost:** The developers are responsible for constructing a water tank with a capacity of up to 600,000 gallons. Chairman Farrar mentioned the possibility of needing a larger tank, potentially up to 1 million gallons, but the developers are only obligated to build up to 600,000 gallons unless the town opts to pay for additional capacity.
2. **Financial Responsibilities:** Chairman Farrar clarified that the developers are required to cover the cost of adding 150,000 gallons to the town's water capacity, estimated to be around \$150,000 based on current pricing.
3. **Phased Approval:** Chairman Farrar discussed the approval process for phase two of the project, which includes building the water tank. Chairman Farrar indicated that once phase two is approved, the developers will proceed with constructing a 1-million-gallon tank, regardless of the actual cost, which they will cover.
4. **Legal and Contractual Issues:** There were concerns raised about the legal implications and flexibility of the agreement, particularly regarding future expansions or changes in project scope. The board debated whether the agreement should include provisions for the district to pay extra for a larger tank if needed beyond the initially agreed upon 600,000 gallons.
5. **Community Impact:** Board Member Sair emphasized the importance of improving the current water system for the benefit of the community as a whole. However, Chairman Farrar explained that while the district desires improvements, they cannot legally require the developers to do more than what is specified in the agreement.
6. **Future Funding and Grants:** Chairman Farrar mentioned the possibility of using impact fees or seeking grants to fund any necessary expansions beyond what the developers are legally required to provide.



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Overall, the meeting highlighted the complexities involved in balancing development needs with financial responsibilities and legal constraints. The board aims to ensure that the agreement benefits both the developers and the community while safeguarding the district's interests in future water capacity needs.

Motion: Chairman Farrar motioned that we approve the Water Agreement for Hidden Rock Development Group LLC (Ocultia Roca), with the following wording on 4.1 "4.1 Developer and District agree that the developer is responsible to construct the water tank up to a 600,000-gallon capacity at a cost not to exceed \$600,000. Should the SSD desire additional size of capacity to the water tank beyond the constructed tank or cost of \$600,000, the District shall have the option to pay the extra cost prior to the construction of the water tank." And then in 4.3 we will say "4.3 Upon receipt of project certificate of occupancy, developer will dedicate all water tank improvements to the District and the District will become the owner operator." General motion that anything that says Town is changed to District.

Motion made by Chairman Farrar, Seconded by Board Member Gregerson.

Voting Yea (Roll Call): Chairman Farrar, Board Member Merritt, Board Member Gregerson, Board Member Politte, Board Member Sair

The vote was unanimous and the motion carried.

CONSENT AGENDA

9. Approval of Minutes: May 15, 2024.

Board Member Gregerson mentioned the spelling of Dan Harsh was incorrect in item number one.

Motion: Board Member Gregerson motioned that we approve the May 15, 2024 draft minutes for Big Plains Water Special Service District Meeting.

Motion made by Board Member Gregerson, Seconded by Board Member Sair.

Voting Yea: Chairman Farrar, Board Member Merritt, Board Member Gregerson, Board Member Politte, Board Member Sair

The vote was unanimous and the motion carried.

REQUEST FOR A CLOSED SESSION

No request.

ADJOURNMENT

Motion: Board Member Gregerson motioned to adjourn the meeting.



**BIG PLAINS WATER SPECIAL SERVICE DISTRICT PUBLIC
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Motion made by Board Member Gregerson, Seconded by Board Member Sair.
Voting Yea: Chairman Farrar, Board Member Merritt, Board Member Gregerson, Board Member Politte, Board Member Sair

The meeting was adjourned at 7:09 p.m.

Date Approved: _____

Approved BY: _____

Chairman | Michael Farrar

Attest BY: _____

Clerk/Recorder | Jenna Vizcardo

DRAFT

SECTION 1: AMENDMENT “1.02.010 New Connections For Water Service” of the Big Plains Water Special Service District hereby *amended* as follows:

AMENDMENT

1.02.010 New Connections For Water Service

- A. Applicants desiring a connection for property located within the District shall notify the District requesting that the District provide the required retail water service. New connections may be installed prior to an approved culinary use. However, it will be locked and unusable until such time a building permit has been issued by the Town of Apple Valley. As an exception, water meters may be installed for agricultural use only. It may not be connected to any structure or be used as culinary water. Any unauthorized use will be subject to lockout. The installation will require the impact fee, connection fee and if applicable (at the District's discretion and depending on whether the District owns sufficient municipal water rights to supply the proposed development and existing customer) an appropriate municipal category water right provided by applicant by conveyance provided by applicant by conveyance. If the agricultural connection is changed to culinary use and the property is under new ownership, the connection will be subject to the impact fee less any standby credits. The District will then follow its procedures for obtaining water service. The applicants shall bear the cost of all expenses associated with providing the retail water service. If providing service by the District requires a mainline extension, the applicant will follow the procedures starting with 1.02.040 Procedures for Obtaining Water Services for Development Projects.
- B. Upon approval of the new water connection and payment of required deposit, the applicant shall engage at their own expense a licensed and insured contractor approved by the Water Superintendent for the excavation of the water main. The contractor shall schedule the excavation at a time when the Water Superintendent is available to supervise the excavation. Contractor shall obtain an Encroachment Permit from the Town, if required. Upon excavation of the water main, the Water Superintendent shall then install the service line and required water meter. After the installation of the water meter, the contractor shall then replace excavated materials, and repair the impacted area to the condition prior to excavation. This includes new road base or asphalt as required by Apple Valley Town Standards.
- C. Unless waived by the District for good cause, applicants desiring a connection for property not included within the existing boundaries of the District shall petition to annex their lands into the District before their application will be processed. The petition shall include a legal description of the property and reasonable evidence that the petitioner is the owner of the property to be annexed or is the lawful agent of the owner. In addition, if the property is located within the legal boundaries of an incorporated city, the application shall also comply with the procedure in Section A.
- D. All applicants shall sign a Water Application and Agreement. Such application shall

include the location of the desired water service, the name of the applicant, the date of application, proof of ownership of the property, and the basic terms and conditions with which the applicant shall be required to comply to receive water service. Such terms and conditions shall require the applicant to:

1. Pay the current connection deposit as established by the District's Administrative Control Board. After completion of the connection, the District will provide applicant an itemized billing of time and materials for the connection, and shall either refund the unused portion of the deposit or bill the applicant for the balance. Refund of deposit will be mailed within 30 days of completion. If a balance remains, that amount shall be paid within 30 days of completion or the meter is subject to lockout until payment in full is received. Connection certificates issued and agreements providing for connections executed prior to the effective date of these rules and regulations shall be honored.
2. All new applicants shall provide to the District the applicant's social security number and pay to the District a \$100 deposit, which, at the option and request of the applicant, may be credited to the applicant's account after one year, provided that the applicant's account has not been delinquent at any time during the one-year time period. Should the applicant fail to request that the deposit be credited to their account after such time, the District shall retain the deposit until either party terminates service. Upon termination, the District will return the deposit to the applicant, less any amounts still owing to the District. Should an applicant choose not to provide their social security number; the applicant shall pay a \$500 deposit, which will be retained by the District until either party terminates service. Upon termination, the District will return the deposit to the applicant, less any amounts still owing to the District. Existing customers shall not be required to provide the District with their social security number, unless their accounts have ever been delinquent for more than ninety (90) days.
3. At the District's discretion and depending on whether the District owns sufficient municipal water rights to supply the proposed development and existing customers, one (1) acre foot of municipal category water rights must be bought-in at \$10,000.00 ~~6,000.00~~ per connection or deeded to the District in lieu of the buy-in. Conveyance to the District, must be in a form or manner approved by the District, an existing water right in a quantity sufficient to allow the District to meet the use applied for by the applicant. For a single-family residential connection with outside irrigation not exceeding one acre, the quantity of water right to be conveyed is 1.0-acre foot. The requirement for other applications, such as commercial or larger acreage, shall be determined on a case-by-case basis. The conveyance to the District and the District's obligation to service the applicant is conditioned upon approval by the State Engineer of a change application filed by the District to change the nature and place of use and the point of diversion of the conveyed water right to that consistent with the requested service. Any reduction by the State Engineer in the quantity of water approved as a result of change of nature of

- use or forfeiture shall be the responsibility of the applicant.
4. Pay for all sums of water usage and service charges at the rates lawfully set from time to time by the District's Administrative Control Board. The District shall impose a five percent (5%) finance charge, applied monthly to all delinquent accounts.
 5. Abide and obey all rules and regulations then in effect and thereafter adopted by the District.
 6. Pay all water and service charges by the last day of the month the statement is prepared. Failure to pay said charges within 30 days of statement date will result in the account being declared delinquent and the water service terminated upon proper notice. Water service shall be restored upon payment of all delinquent amounts plus a reasonable service restoration charge.
 7. Pay any interest, collection charge, and restoration fee set forth in these rules and regulations.
 8. Pay all costs, including attorney's fees, incurred by the District through its efforts to collect any delinquency or to enforce these rules and regulations.
 9. Acknowledge that the service connection and all of its parts and materials from the water main to the point of connection to the line stubbed from the building, said point of connection being immediately downstream of the meter box, shall be the property of the District.
 10. Acknowledge that the District reserves the right at any time, without notice, to shut off or curtail water service, in the event of a water scarcity, to facilitate repairing or maintenance of the District's water system, or to protect the District's water system and supply from contamination which could endanger the public health.
 11. Identify a relative by name and address, not living with the applicant.
 12. Notify the District of any cross-connection, backflow incident, or other condition within the customer's system which may put the District's system and/or water supply at risk for contamination. Notification must occur as soon as possible, but no later than 24 hours upon learning about such conditions.
 13. Acknowledge that the customer shall be responsible for installing and maintaining a thermal expansion chamber and a pressure reducing valve on the cold water line feeding the customer's water heater, and that any damage which may occur as a result of a missing or faulty thermal expansion chamber or pressure reducing valve shall be the responsibility of the customer. Neither the chamber nor the valve shall be removed except to necessitate a replacement or repair.
- E. The District shall maintain a list of customers with unpaid water bills. Applications for water service from previous customers with unpaid balances shall not be processed until the unpaid balances together with interest are paid.
- F. Upon proper execution of the annexation petition, if applicable, signing of the Water Application and Agreement, payment of the current connection fee, buy-in or conveyance of the required water rights, plus any other charges or fees that are determined to be due and the District's determination that water and facilities are available for service at such location, the applicant shall be accepted as a retail

customer of the District.

SECTION 2: AMENDMENT “01.20.010 Residential” of the Big Plains Water Special Service District is hereby *amended* as follows:

AMENDMENT

01.20.010 Residential

Residential Standby Fee: ~~\$75.00~~49/month

Residential Base Fee: ~~\$75.00~~49/month

Residential Usage Fees:

Gallons Used	Charge/1,000 Gal	Total
0-base/standby		\$75.00 49.00
0-5,000	\$1.50	Calculated based on usage
5,001-12,000	\$1.75	Calculated based on usage
12,001-25,000	\$2.00	Calculated based on usage
25,001-35,000	\$2.25	Calculated based on usage
35,001-45,000	\$2.50	Calculated based on usage
45,001- 55,000 +	\$3.25 2.75	Calculated based on usage
<u>55,001-75,000</u>	<u>\$4.00</u>	<u>Calculated based on usage</u>
<u>75,001-100,000</u>	<u>\$5.00</u>	<u>Calculated based on usage</u>
<u>Over 100,000</u>	<u>\$7.00</u>	<u>Calculated based on usage</u>

Residential Impact Fee (3/4 in Connection): \$17,788

Connection Fee Deposit by Meter Size:

3/4-inch Connection Fee: \$1,600

1-inch Connection Fee: \$1,900

1.5-inch Connection Fee: \$2,900

2-inch or Larger Connection Fee: Quoted Upon Request

Actual cost of the connection depending on the size of meter required.

At the District's discretion and depending on whether the District owns sufficient municipal water rights to supply the proposed development and existing customers, one (1) acre foot of municipal category water rights must be bought-in at \$10,000.00 ~~6,000~~ per connection, or deeded to the District in lieu of the buy-in.

SECTION 3: AMENDMENT “01.20.020 Commercial” of the Big Plains Water Special Service District is hereby *amended* as follows:

AMENDMENT

01.20.020 Commercial

Commercial 1-inch meter base/standby rate: \$102.00 ~~76.00~~/month

Commercial 1.5-inch meter base/standby rate: \$141.93 ~~94.62~~/month

Commercial 2-inch meter base/standby rate: \$202.76 ~~135.17~~/month

Commercial 3-inch meter base/standby rate: \$552.51 ~~368.34~~/month

Commercial 4-inch meter base/standby rate: \$1,241.90 ~~827.93~~/month

Commercial Usage Fees: \$1.50 per 1,000 Gallons

Commercial Impact Fee: (Based on connection diameter-see table below. At the District's discretion and depending on whether the District owns sufficient municipal water rights to supply the proposed development and existing customers, appropriate acre feet of water of municipal category water rights must be bought-in at \$10,000.00 ~~6,000~~ per connection or deeded to the District in lieu of the buy-in.

Connection Diameter (in)	ERC's	Impact Fee Amount
3/4	1	\$17,788.00
1	3	\$31,623.11

1.5	5	\$71,152.00
2	8	\$126,492.44
3	10	\$284,608.00

Commercial Retail Connection Fee: Actual cost of the connection depending on the size of meter required.

SECTION 4: **AMENDMENT** “01.20.030 Bulk Meter” of the Big Plains Water Special Service District is hereby *amended* as follows:

AMENDMENT

01.20.030 Bulk Meter

Bulk Meter Usage Fees:

\$49 meter fee for usage up to five days, with a \$5.00 charge for each additional day the meter is out.

The water usage cost is ~~\$4.00~~ \$8.00/1,000 gallons used.

The meter must be read at least every 30 days.

A \$1,000 meter deposit is required.

There will be a \$250 additional charge for late (greater than five (5) days and thirty (30) days.

**BIG PLAINS WATER SPECIAL SERVICE DISTRICT
RESOLUTION NO. BPW-2024-11**

INTERLOCAL AGREEMENT FOR USE OF PERSONNEL AND PHYSICAL RESOURCES

THIS AGREEMENT is made and entered effective as of the 1st day of July 2024, by and between the Town of Apple Valley, Utah, a Utah municipal corporation ("Town") and Big Plains Water Special Service District, a Utah special service district ("District"). This agreement will replace and supersede any past interlocal agreements between Big Plains Water Special Service District and the Town of Apple Valley.

RECITALS

WHEREAS, the Town, pursuant to Utah law, caused the creation of the District in order to provide for water services within the Town; and

WHEREAS, both the Town and the District are authorized under Utah law to enter into agreements for joint or cooperative action; and

WHEREAS, it is in the best interests of both the Town and the District to operate in an effective and efficient manner for the good of the citizens; and

WHEREAS, the Town is willing to allow the District to utilize certain Town personnel and physical resources in exchange for reimbursement to the Town.

WHEREAS, the District is willing to allow the Town to utilize certain District personnel and water in exchange for reimbursement to the District; and

WHEREAS, the previous interlocal agreement for personnel and physical resources, dated April 21, 2022, was outdated; and the District and Town desire to repeal the old interlocal agreement and adopt this interlocal agreement that better suits both parties.

AGREEMENT

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. USE OF TOWN PERSONNEL (CLERK/ACCOUNTING/BILLING/ADMIN/PURCHASING AGENT)

Both parties agree to a flat rate of \$5,000.00 per month for the interlocal agreement. This will cover all personnel costs, office supplies, equipment, CPA/accountant, 15 hours a week for a shared water assistance/maintenance person and all other fees as described in this agreement.

The Town agrees that, until otherwise determined by both the Town and the District, the District may use the services of Town employees, as approved between the Town and the District, as reasonably necessary to conduct the business of the District.

The above-mentioned rate shall cover all rates and fees including payroll taxes of 7.85% to cover FICA, workers compensation and unemployment. No other benefits will be reimbursed, regardless of the status of the individual performing the work. The District would normally employ a part-time person to perform the work described above. The District will not engage in absorbing expenses not otherwise paid by the District if a stand-alone.

2. USE OF TOWN EQUIPMENT AND PHYSICAL RESOURCES

Building: The District has purchased their own mobile office. Included in this agreement is the space rent for the office on the town's property located at the Town Hall as well as the electricity used to service said office.

Office Supplies: This is included in the monthly fee to cover the costs of office supplies, i.e., pens, folders, paper clips, etc.

Monthly Invoicing: The solid waste fee billed by the Town, includes fees for postage. The District will not be charged for postage fees until such a time when billing has been separated. The District will give the large copy machine to the town and the town will take ownership of the copy machine. The town will supply the district office with a smaller personal sized printer. Included in the monthly fee will be the cost of all printer ink and toner.

Telephone/Internet: Included in this agreement is one internet connection to the water districts office. .

Website Usage: Included in this agreement is the costs to maintain the website. The district shall be given its own page with all information pertaining to the District not to be comingled on Town pages, other than meetings and code pages. Any website or design changes/improvements would be the responsibility of the district.

Zoom for Meetings: The fees for this service are included in this agreement.

Backhoe: The District's use will be minimal. Backhoe use will be included under this agreement. Damage to the backhoe while being used by the district will be the responsibility of the district. The district will pay for any damages due to misuse or accidents. Any major mechanical repairs shall be the responsibility of the Town.

Dump Truck: The District's use will be minimal. Dump Truck use will be included under this agreement. Damage to the dump truck while being used by the district will be the responsibility of the district. The district will pay for any damages due to misuse or accidents. Any major mechanical repairs shall be the responsibility of the Town.

If the Town changes to different methods of providing the above services, the Chairman and Mayor may negotiate the change in charges and/or services.

4. WATER USAGE AND CHARGES FOR THE TOWN

The District shall charge the Town for water usage as a customer. These charges will be paid monthly to the district as any other water customer.

5. RECORD KEEPING

All files of the District shall be kept separate from the Town's records, i.e., separate filing cabinets, separate folder on the server, separate space on desks, separate area for ordinance and resolution binders, etc. so as to minimize the loss of records and enhance the efficiency of the Town personnel performing the work. All manual files will be stored at the town hall.

6. PAYMENT BY DISTRICT

The Town shall invoice the District on monthly basis. The District has 30 days from the date of the Town's invoice to make payment without incurring interest charges. Interest will be charged at 1.5% for each month or partial month the payment is late.

As early as possible for each fiscal year, the Town and District shall review the interlocal agreement, current billing rates and make any appropriate adjustments based on number of District customers, employee costs, and physical resource costs. Until a new agreement of rates supersedes the prior year agreement, the prior agreement shall remain in full effect.

7. ADMINISTRATION OF AGREEMENT

This Agreement shall be administered by the Mayor of the Town of Apple Valley and the Chairman of the administrative control board of the Big Plains Water Special Service District. In the event, that the Chairman of Big Plains Water Special Service District is the Mayor of the town, this agreement will be administered by a member of the administrative control board who is NOT on the Town Council.

8. RETAINED RIGHTS

Each party specifically retains all rights and obligations granted to or imposed upon it by state law.

9. AGREEMENT CONDITIONAL

The parties agree that this Agreement shall become effective immediately upon approval and execution hereof by the parties' respective Governing Bodies and the filing of the Agreement with the Parties' respective keeper of records.

10. LIABILITY AND HOLD HARMLESS

Town and District shall use reasonable diligence in performance of this Agreement, but do not assume any responsibility for any damage to the other party or others not the result of

carelessness, negligence, failure to adhere to established standards, or willful acts on the part of Town or the District or their employees, representatives or agents. Each party will indemnify, hold harmless, and defend the other party and its agents, principals, and employees from and against all claims, defenses, losses, liability and attorney fees arising out of or resulting from said party's failure to comply with the requirements of this Agreement, or with all federal, state and local laws applicable to the performance of this Agreement.

11. TERM

The term of this Agreement shall be for five (5) years initially, which may be extended on a year-to-year basis thereafter by written extension agreements entered into by the parties, not to exceed a total term of fifty (50) years. The monthly amount due can be re-negotiated once a year at the time of creating the town/district new fiscal budget.

12. DEFAULT OR BREACH

In the event of a default or breach in the performance of any obligation contained herein, the party not in default or breach shall provide written notice of such default or breach to the defaulting or breaching party. If such breach or default is not cured within thirty (30) days after receipt of such notice, the non-breaching or non-defaulting party may terminate this Agreement by providing thirty (30) days written notice of its election to terminate. Alternatively, or together in conjunction with such termination, the party in default or breach shall be liable to the other party for all damages suffered by said party, including costs of court and reasonable attorney fees.

13. AUTHORIZED AGREEMENT

Town and District hereby represent and warrant, one to the other, by signature of this Agreement, that its Governing Body has taken all action as required by law to approve this Agreement and to authorize execution of this Agreement on behalf of that party.

14. RECITALS

The recitals set forth at the beginning of this Agreement are incorporated herein by this reference as part of this Agreement.

15. CONSTRUCTION

This Agreement shall be governed by and construed under the laws of the State of Utah.

16. INDEPENDENT ACTION

The parties hereto shall not be deemed to be partners or joint venturers under this Agreement or in any manner.

17. LEGAL COMPLIANCE

Each party shall be responsible for ascertaining and overseeing compliance with all government and legal requirements.

18. ENTIRE AGREEMENT; NO THIRD-PARTY BENEFICIARIES

This Agreement contains the entire agreement between the parties concerning its subject matter, supersedes all prior agreements and understandings, whether or not written, and is not intended to confer upon any person other than the parties hereto any rights or remedies hereunder.

19. AMENDMENT

This Agreement may be amended only by a written instrument duly executed by the parties hereto.

20. SEVERABILITY

If any of the terms, covenants or conditions of this Agreement, or the application of any of such terms, covenants or conditions, shall be held invalid as to any person, party, or entity, by any court having jurisdiction in the premises, the remainder of this Agreement, and the application of its terms, covenants or conditions to such person, party or entity shall not be affected thereby.

21. NO WAIVER

Neither failure nor delay to object to any default or failure to perform under this Agreement on the part of either of the parties hereto shall operate as a waiver thereof. Any waiver at any time by either of the parties hereto of their rights with respect to a default or other matter arising in connection with this Agreement shall not be deemed a waiver with respect to any subsequent default or matter.

22. SUCCESSORS AND ASSIGNS

The terms of this Agreement shall be binding upon each of the parties hereto and their successors and assigns; provided that neither party may assign its rights hereunder without the prior written consent of the other, which consent may be withheld in the sole discretion of the other party.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to the Agreement to be executed on the date set forth above to be effective as of the effective date set forth above.

TOWN

Mike Farrar, Mayor Date

DISTRICT

Ross Gregerson, Treasurer Date

ATTEST

Jenna Vizcardo, Town Clerk Date