

# Utility Departments of Hildale/Colorado City

Utility Board Meeting Minutes  
320 East Newel Ave, Hildale Utah  
Tuesday, January 29, 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: John Barlow, Mayor Joseph Allred, Vance Barlow, Harrison Johnson, Weston Barlow, Vincen Barlow, Mariah La Corti, Ralph Johnson Jr., Christian Kesselring

Court Monitor: Roger Carter

Public Present: Dave Wittwer, Maha Layton, Savannah Adams, Tonja Holm, Ezra Nielsen, Ezra Nielsen Jr. (this list may be incomplete)

## #1 Call to Order

Meeting called to order at 6:00 p.m. Roll was taken. Quorum present.  
Michael Cawley arrived at 6:54 p.m.

## #2. Prayer & Pledge of Allegiance

Nathan offered a prayer and the crowd joined in the Pledge of Allegiance.

## #3. Approval of Minutes from November 27, 2018 Meeting

No corrections noted.

**JVar Dutson moved to approve the minutes of the November 27, 2018 meeting.**

**Nathan Burnham 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		

Motion carried.

#### **#4. Public Comment**

John Barlow thanked the Board for their work in eliminating water impact fees, he has noticed a positive impact on the community.

#### **#5. Financial Report**

Dave Wittwer with Hinton Burdick gave an audit overview for fiscal year 2018. The sewer fund is in healthy financial condition. Gas revenues and expenses are both down, but the expenses are greater than revenues for this fiscal year; there is still a strong equity balance. Water Department revenues are greater than expenses because of CDBG funds; without this contribution expenses would be greater. Legal settlements are a massive drain on our resources.

Findings included no noted material weaknesses. A complete record of capital asset records is not being maintained, deficiencies in policies and procedures contributes to this. Segregation of duties was an issue but has been addressed since the turnover. State of Utah requires a yearly impact fee report that was not submitted. Meeting minutes were not being posted to the State website.

#### **#6. Consideration of Utility Waiver Requests**

Tonja Holm approached the Board. She has a sister who she found a home in the area for. The services were turned on a few months ago, but she was not able to move in until January 4. Tonya requested that we waive 2 months of base charges for the months that the home was not being inhabited. She scheduled an appointment to meet with Harrison to discuss this.

#### **#7. Manager's Report**

Harrison Johnson presented. He reported on radium contamination, radium levels have exceeded Utah's DEQ levels. The Department is seeking an immediate solution by using shallower wells. Long term solution will be developing the water master plan, developing spring water sources in Jans and Water Canyon.

He discussed the findings of the audit report. He will be implementing policies and procedures, pushing staff to be financially responsible, effective and ethical and dispensing with assets, procedures, policies and personnel that are not. Board members expressed their agreement on this standpoint.

The Department has been in discussion with Apple Valley administration about providing them natural gas services. This would increase the customer base and begin a good relationship with Apple Valley. Arvin asked why we are not servicing Arizona. Regulations for interstate pipelines are very detailed. Harrison explained that to begin this process, negotiations would just need to be opened with Dominion Energy.

Harrison gave an update on discussions about providing Centennial Park with access to our culinary system. A preliminary rate structure has been developed, we are waiting on their water district to provide us with their estimated water demand.

The department has received approval for the grant to update our water master plan and has been in discussions with Sunrise Engineering about the ideal scope of work for this project. A study from 2002 describes water source potential in Water Canyon which, if correct, should be enough to provide spring water to the entire valley. If we drill horizontal wells into the side of the Canyon, no Water treatment facility would be required, which would be a huge cost savings.

**#8. Consideration of Approval to Pay Bills**

Vincen presented. Reports on revenues vs. expenditures and an invoice register were provided for review. He pointed out that we are not spending more than we are getting at this point.

We are attempting to advertise our propane prices, which are competitive, in hopes of bringing in more revenue.

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

**Nathan Burnham 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.

**#9. Closed Executive Session to Discuss**

**Arvin Black moved to go into executive session to discuss the character and competence of an individual.**

**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.

Mayor Allred, Vance Barlow, John Barlow, Roger Carter, Weston Barlow and Christian Kesselring were invited to attend.

**Nathan Burnham moved to close the executive session and return to the normal meeting.**

**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. Consideration and Possible Action on Twin City Water Works Update and Legal Fees**

Harrison presented. Twin City Water Works has signed a settlement contract with the UEP to deed all water assets to include wells, water rights, and easements to the respective city municipalities. With this comes a tax lien of roughly \$238,000 and delinquent power bills. Harrison feels that the asset value is worth this debt. TCWW has asked if the cities will pay their remaining lawyer fee to Bryan Cave as a courtesy to assist in their dissolution, this was not included as part of the settlement. Harrison’s understanding is that the city will not be legally obligated to pay these fees. Mayor Allred gave an explanation of who this Attorney was. In his conversations with Twin City Water Works he has expressed his feelings that they should not be left with a debt after giving us their assets. Stacy voiced her disagreement with this outlook.

**Jason Black moved to deny Twin City Water Works request to pay their outstanding Attorney fees.**

**Stacy Seay 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.

**#11. Consideration and Possible Action on Non-Monopoly Rate Authority**

Harrison presented. Our Utility Department has a monopoly on both water and sewer services. For the gas department, however, there is competition. This policy would delegate rate setting authority to the Utility Director for all non-monopoly service rates, including services that could

be provided by the Utility Department. He provided specific recent examples of why this could be beneficial. If there is a local private entity that provides these services to the community, the department would discontinue offering these services, unless that company cannot meet customers needs.

The current rates do not cover department costs. The rates need to be updated, the question is whether to delegate the Department Director to make the decision or allow the Board to do so.

Michael gave input that rate changes should go through a fair hearing process. He would like to be part of the interaction in changing the rates, he does not feel comfortable delegating this to an authority when the Board meets once a month and could do so as a Board. Jason pointed out that the utility department is not a private company, it is funded by tax payers, therefore we need to keep their best interests in mind.

There was lengthy discussion on this topic going back and forth with most Board members giving input.

**Stacy Seay moved to approve the Non-Monopoly Service Rate.  
Nathan Burnham 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 fails.

Harrison was directed to review other options for updating the rates and bring the idea back before the Board once again.

**#12. Consideration and Possible Action on Fiber Optic Network Proposal**

Harrison presented. He feels that the best idea would be for the city to authorize a fiber optic department and agreement with Ezra Nielson. The City would provide a backbone with a set rate, the ISP would be the end point.

It will be revenue positive to have this online. He is asking the Board to make a recommendation to the City Councils to allow \$150,000 of funds, borrowed from gas reserve funds, be made available for the start up for this project. Nothing would be done without being brought before the Utility Board.

Ezra Nielsen addressed the Board about the idea behind this. JVar asked if this would guarantee improved service. Ezra confirmed that it would increase speeds.

Ralph expressed concerns about borrowing from the gas department, based on the audit findings,

as there are already loans from the gas department to the water department and fire department. Harrison explained that it would not affect the operating loss. Arvin clarified that it would be a loan from the gas department, to be paid back with interest.

John Barlow addressed the Board, pointing out that internet is becoming a necessity. Businesses depend on the internet to accept payments. To avoid a monopoly, the infrastructure is made available to all ISP's and allow them to compete, reducing rates and increasing customer service. If the Utility Department does not act on this, it is possible that another company will come in and put their own infrastructure in, monopolizing the service. He further explained how the PTIF fund works, explaining that the funds for this are available simply by doing an intergovernmental loan rather than using the State of Utah.

Ralph wanted to know who gets the revenue from this. John explained that expenses will be shared, and revenues will be given to the respective cities.

Vance Barlow stated that he felt the concept is worth studying as it is possible that it could come to fruition. There are a number of things that need to be researched. He asked Harrison to come prepared to answer many questions from the city council, if approved tonight.

**Jason Black moved to make a recommendation to the city councils that the Utility Department authorize \$150,000 needed to set up the Fiber Optic infrastructure and enter into an agreement with Ezra Nielsen in order to contract services for development to provide high speed internet to our residents and businesses.**

**Nathan Burnham 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 carries.

**#12. Consideration and Possible Action on Small Expense Procurement Policy**

Harrison presented. This policy establishes a procurement procedure and authorized procurement officers. This would be beneficial to the department because these officers should strive to find the lowest cost solutions by comparing prices and quality from a multitude of vendors, create competition with other vendors, and conduct forward planning and asset management as an essential part of their job duties.

Jason asked for the policy to include supporting local businesses when possible, other councilmembers agreed.

**Jason Black moved to approve the General Procurement Policy with the amendment that the Accounts Payable Clerk be removed as an authorized procurement officer and with the and the change giving consideration to local businesses.**

**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 carries.

**#14. Consideration and Possible Action on Violation Notification and Enforcement Policy**

Harrison presented. The purpose of this policy is to formalize a procedure for processing potential violations of Department policy. Stacy expressed her appreciation to Harrison for getting these in place, as this is a good way to avoid discrimination.

**Michael Cawley moved to approve the Violation Notification Enforcement Policy.**

**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 carries.

**#15. Consideration and Possible Action on Customer Feedback and Complaint Policy**

Harrison presented. This proposed policy will guide both the Department and the public on how to make an appeal of a Department action, policy, fee, fine, etc. and file a formal complaint.

Mayor Allred pointed out the requirements of a public hearing and recommended that this be amended to simply be put on the agenda.

Arvin pointed out that this gives employees the ability to do their job. Further, having policies will help us be in compliance with the DOJ. Roger pointed out that the complaints he has received recently are not discrimination related, but people being upset about not having a process to follow.

**JVar Dutson moved to approve the Formal Complaint and Appeal Process Policy with the amendment suggested by Mayor Allred.**

**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 carries.

### **#16. Adjournment**

Arvin expressed his appreciation to the board members for their participation and work on the Board. JVar requested that Harrison work on a policy for the sewer rate for the large homes with small families.

Meeting adjourned at 9:49.

Minutes were approved at the meeting on February 26, 2019.



Vincen Barlow, Hildale City Recorder



Vance Barlow, Colorado City Town Clerk

### **Summary of Board Actions:**

Minutes of November 27 meeting approved.

Approval to Pay Bills.

Recommendation to City Councils regarding Fiber Optic.

Approval of Procurement Policy.

Approval of Violation Notification Enforcement Policy.

Approval of Formal Complaint and Appeal Process Policy.