

Utility Departments of Hildale/Colorado City

Utility Board Work Session Meeting Minutes

320 East Newel Ave, Hildale Utah

Tuesday June 12, 2018 5:00 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 | | |
| Alma Cawley | | | X |

Staff Present: Ralph Johnson Jr., Weston Barlow, Leslie Jessop, Leonard Black, Vincen Barlow, Mayor Allred, John Barlow, Christian Kesselring, Mariah La Corti

Public Present: None

#1 Call to Order

Arvin Black called the meeting to order at 5:08 pm. Roll was taken. Quorum present.

#2 Prayer and Pledge of Allegiance

Ralph Johnson offered the prayer.

#3 Work Session on Hildale/Colorado City IGA

Arvin welcomed everybody to the meeting, he appreciates everybody's time. He pushed for the work session, feeling like it was necessary. He grew up in the area and knows the history very well. There is a big diversity of thoughts and anticipation for the community. In addition, we are under a court order regarding discrimination. He feels that the Utility Board's mission should be to serve the people in a fair way. Roger Carter is expensive, we'd like to get into compliance and get rid of that expense. He has read the IGA and some of it was confusing, so he felt like it was necessary to get together and talk about it, so that everybody is on the same page and so that they can take the responsibility that they were appointed to do.

There was brief discussion as to how the meeting should be ran.

Mayor Allred was asked to discuss how the agreement came about. Prior to 1996 the water utility company was a private company, Twin City Water Works. There was a loan along with a grant from a government agency to build the original system. In 1996 there was a proposal by the Mayor of Colorado City that Twin City Water Works sell ownership of the water system to the city. Twin City Water Works became a vendor of bulk water to the city. There was also a maintenance agreement that came with it. The towns then chose to get into an agreement and run

it together. There was still a substantial amount owed on the loan, so a separate company was created called Twin City Water Authority, who was responsible to pay the loan. 65% was billed to Colorado City and 35% was billed to Hildale for the payment. That loan is now paid off and Twin City Water Authority has been dissolved as a corporation. This agreement has been updated and changed from time to time. The purpose of it is for Hildale and Colorado City to work together to provide utilities to the customer. The system is so interconnected that it would be impossible for the two cities to not work together. Most of the wells are located in Colorado City. There is not a problem of not having enough wells; the water level in the wells has declined over the years.

Arvin asked him how the IGA was dealt with when the court stuff came through. In dealing with the DOJ lawsuit, the Twin City Water Authority was brought in as a separate entity, even though it was dissolved shortly after the lawsuit. When it comes to the court ruling, the Utility Staff was found to have discriminated. The job of the Utility Board is to watch over the utility employees and see to it that everything is fair and equitable for everybody. The injunction will be in place for 10 years, but we are hoping that as we show compliance, going forward the monitoring and costs will greatly decrease. John Barlow says regarding the DOJ case, there is nothing that can be done now except compliance.

JVar asked about some water rights purchased from Apple Valley. Mayor Allred heard about it, but only knows that Justin was working on securing water rights.

Jason Black asked the Board to remember that as a Board they need to make sure the employees are treating everybody fairly and that when we are looking to find the money to pay for the injunction, it is the citizens that are ultimately paying the price via tax dollars. Nathan wants to find out who our staff is and what they know. We need people working for us who know what they are doing. Stacy has spoken with the utility technicians to find out information that she feels the Board needs to know.

Attorney Kesselring addressed the Board. The cities have a statutory obligation to assure the adequate provision of residential utility service, to restrict unreasonable termination of or refusal to provide residential utility service, to provide functional alternatives to termination or refusal to provide residential utility service, and to establish and enforce fair and equitable procedures governing eligibility, deposits, account billing, termination, which they have delegated to the utility department and utility board, similar to the national government, instead of running it themselves. With the DOJ injunction, regulations have to go before the court monitor. As far as running the system (staff), the IGA defines the roles and responsibilities, but it may not be completely clear. The cities have discretion over the hiring and control over the operations by their policies and procedures.

Mayor Allred informed the Board that every gallon of water the cities can pump is a gallon that they do not have to purchase, therefore, we need to get the Academy Well up and running, and possibly in the future quit doing business with Twin City Water Works. The original loan paid for a water main line that went in a square through the cities. Everything added after that was done through community projects. The town offered to buy the system from Twin City Water

Works. In lieu of the sale, they opted to agree on a bulk price based on historical maintenance costs plus a markup. That amount, 69.3 cents per thousand gallons, has not changed for over 20 years.

An update to the policy was people are now allowed to have water without bringing it to the system. In November 2017 we re-affirmed our change in policy, as required by the DOJ case.

Mayor Allred explained that the whole idea of impact fees is that after an assessment of what the city will need in 15-20 years, related to growth and general improvements, the anticipated growth costs are paid by the impact fee, so that existing customers do not have to pay for it. If the Board wants to readdress the impact fee, they can hire an engineer to do the research again. The impact fee recommendation is a “not to exceed” amount, the Board can set any amount they choose. Jason said that another way to look at it is a lower impact fee may promote growth.

John met with Sunrise Engineering and asked for an explanation on the suggested impact fee. The number of people in a household in our area was much higher than other areas. It may be 2-3 times that of other areas, because the household size is 2-3 times larger. We may want to take house/household size into consideration. Jason explained that the impact fee has to be used for improvements; it cannot be used for anything else.

Jason asked for an explanation on what the Utility Board can and cannot do. John explained that while the Utility Board is delegated to the powers outlined in Section 3 D., they still have to answer to the cities, as the legal owners. Jason feels that it would be good to have the board review these each year. The Utility Board does not own any assets. Sewer is owned by Hildale, gas and water are owned by both Colorado City and Hildale. Legal risk is also owned by the cities. The Board has the custodial ability to manage these, acting on behalf of the cities. The Board answers directly to the town councils.

Mayor Allred strongly recommended the Board choose the right person as a Utility Business Manager. The Board should be involved in screening the candidates. There was discussion on a hiring committee. The Utility Board can then give the town councils a recommendation, and the councils will have the final say. Christian gave input on the hiring procedure based on the policy in place for both cities.

Jason asked what the procedure for amending the agreement would be. John said he could propose a change with the Utility Board and if approved, it could be taken before the town councils.

The Board had no further questions or comments in regards to the IGA.

#4 Discussion on Roles and Responsibilities

Weston addressed the Board. He needs to know what duties the Utility Board has delegated to Hildale City staff. Jason said that there needs to be a discussion to make sure the jobs are being done. Stacy suggested an organizational chart be created, but should be done by the new Utility Business Manager. Ralph stated that in the packet just last meeting there was information that

outlined duties and responsibilities. John explained that the Board commissioned Hildale to do certain tasks. There is a separate agreement that outlines them. Weston asked that there be a resolution outlining it. JVar asked that we discuss the roles and responsibilities of the Utility Business Manager. Mayor Allred recommended that the hired position be the "Utility Manager" so that they can manage the field crew and the office stuff.

Arvin stated that he spent a lot of time with David Boshard before he resigned, and he feels that David and Weston were doing the things that we are talking about. There are simply problems with communication. He agrees with Mayor Allred.

Jason thinks it is very important that we have an office manager, operations manager, etc for checks and balances. John agreed with the segregation of duties, but recommended that be a focal point to be held accountable.

#5Adjournment

Due to time constraints, the meeting adjourned at 7:10 pm. Another work session may be scheduled.

Minutes were approved at the Colorado City Council Meeting on July 16, 2018 .
Minutes were approved at the Hildale City Council Meeting on July 11, 2018 .



Vincen Barlow, Hildale City Recorder





Vance Barlow, Colorado City Town Clerk



Summary of Board Actions:

- Things for another agenda:
- Readdress impact fee
- Readdress Twin City Water Works agreement
- Address hiring procedure/assigned duties
- Agreement that outlines Hildale administration utility duties.