



BIG PLAINS WATER SPECIAL SERVICE DISTRICT MEETING

BOARD OF DIRECTORS, REGULAR MEETING

1777 N Meadowlark Dr, Apple Valley

Wednesday, April 12, 2023 at 6:00 PM

MINUTES

Chairman | Andy McGinnis

Board Members | Frank Lindhardt | Harrold Merritt | Ross Gregerson | Jarry Zaharias |

CALL TO ORDER- Chairman McGinnis called the meeting to order at 6:00 p.m.

PLEDGE OF ALLEGIANCE

ROLL CALL

PRESENT

Chairman Andy McGinnis

Board Member Frank Lindhardt

Board Member Harold Merritt

Board Member Jarry Zaharias

ABSENT

Board Member Ross Gregerson

DECLARATION OF CONFLICTS OF INTEREST

None declared.

PRESENTATION/DISCUSSION

1. Presentation of FY2022 Audit.

Audit Presentation for the year ending June 30, 2022 presented April 12, 2023 by Hinton Burdick CPAs & Advisors. (see attached: Attachment A)

2. FY2024 Budget Presentation/Discussion.

Town Administrator Jauna McGinnis went over Budget Worksheet-Initial Presentation April 12, 2023 that was in the agenda packet. She continued; we don't have all our information as to what we want to add for this year so we don't have all the budget items. This year it is hard to figure out the connections and this year's information is based on the same as last year. The Interlocal Agreement cost has increased by 6%. Our salaries, wages, and benefits will not change and for the most part a lot of things are not going to change. The professional services have been brought down. Board Member Lindhardt commented on extra engineering. Town Administrator Jauna McGinnis commented that this is for engineering projects that are extra. She continued, the system maintenance, system equipment, well maintenance, and tank maintenance are the four that are pending prices. We will be adding as we get those prices. The grants are listed at 0 right now and hopefully when we start getting the information on those other items we will know if there will be grants available for those items. The impact fees are based on the developments in progress. Board Member Lindhardt asked how many vacant lots are left on standby. Town Administrator Juana McGinnis answered 70. She continued, interest income and interest expense are about where we are supposed to be. All the payments on the debt services are good numbers. The auditor mentioned we have this defect for restricted funds, and what that is, we must have funds set aside to replace and be able to make the payments. We have five different loans that have all these same requirements. We are going to get a legal opinion to figure out



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if we can just have it for one overall or if it must be for each one of them. That is why we are in a deficit right now is because there is a 5% capital that we have to every year for each one of those loans. If we can have 5% overall that will get rid of that deficit. The aquifer study is zero for 2024 because that one is done. We show \$125,000 that we can put towards our projects this coming year. She discussed the amended budget being moving numbers until June when we can set them in place. Chairman McGinnis commented he has items to add and is working with engineers with cost and funding. Board Member Lindhardt asked about the ETA is for the impact fee study and what has changed due to funding. Town Administrator Jauna McGinnis discussed upgrading our meter reader. Board member Gregerson is working on this with 5 different vendors that will integrate with our Pelorus software. One quote is \$32,000. Discussion only. No action taken.

CONSENT AGENDA

3. Disbursement Listing for March 2023.

MOTION: Board Member Lindhardt motioned that we approve the Disbursement Listing for 3/1/23-3/31/23.

SECOND: The motion was seconded by Board Member Merritt.

VOTE: Chairman McGinnis called for a vote:

Board Member Merritt - Aye
Board Member Zaharias - Aye
Board Member Lindhardt- Aye
Chairman McGinnis – Aye

The vote was unanimous and the motion carried.

4. Budget Report for Fiscal Year 2023 through March 2023.

MOTION: Board Member Zaharias motioned that we approve the Budget Report for March 2023.

SECOND: The motion was seconded by Board Member Lindhardt.

VOTE: Chairman McGinnis called for a vote:

Board Member Merritt - Aye
Board Member Zaharias - Aye
Board Member Lindhardt- Aye
Chairman McGinnis – Aye



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The vote was unanimous and the motion carried.

5. Minutes: March 15, 2023.

MOTION: Board Member Merritt motioned to approve the minutes for March 15, 2023.

SECOND: The motion was seconded by Board Member Zaharias.

VOTE: Chairman McGinnis called for a vote:

Board Member Merritt - Aye
Board Member Zaharias - Aye
Board Member Lindhardt- Aye
Chairman McGinnis – Aye

The vote was unanimous and the motion carried.

CHAIRMAN REPORT

6. March 2023 Water Usage Comparison.

Chairman McGinnis reported that our Water Suprintendent has resigned this past Sunday. He continued if anyone looking in Apple Valley that has training and willingness as Water Operator, please contact the . The job is currently being advertised.

Chairman McGinnis reported on the water usage comparison for March of this year. Water usage on comparable accounts that had water usage in 2021,2022, and 2023 we are underusage by over a million gallons. The total system as a whole we are still under usage 991,000K Gallons. Thanked the community for its hard work in keeping the water usage down. He asked the community to continue to be mindful and realize we have have had 10 years of drought.

DISCUSSION AND POSSIBLE ACTION

7. Consider Approval of FY2022 Audit.

MOTION: Board Member Lindhardt motioned that we approve the 2022 Audit as presented and with recommendation to take necessary action to implement the 5% deficit.

SECOND: The motion was seconded by Board Member Zaharias.

VOTE: Chairman McGinnis called for a vote:

Board Member Merritt - Aye



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Board Member Zaharias - Aye

Board Member Lindhardt- Aye

Chairman McGinnis – Aye

The vote was unanimous and the motion carried.

8. Consider approval of the purchase agreement between Cedar Point, Jepson Canyon, and the District.

District Attorney Ben Ruesch commented on background according to our research the district owns 528-acre feet of water. This agreement would increase it to 597-acre feet of water. He continued, the email from buyer, the things to be called to your attention. If the Board agrees to the agreement tonight there may be a 30-day timeline to take place to receive title commitment from title company. Currently April 15th is the deadline. The Board would need to consider some flexibility and the seller would probably be fine in extending the deadline. Addendum to the deadline was discussed. Also note in section 9.02 reference sections water and sewer service code that are obsolete reference that need to be revised to the current water service code, the most recently adopted. He asked the Board if they had any questions. Buyer is here with legal council. Board Member Merritt asked about the category of water. Currently the agricultural category and buyer is responsible for the change application to municipal water category. District Attorney Ben Ruesch commented that the Board should set a timeline on this change application.

Town Administrator Jauna McGinnis commented about removing all reference of Sewer for Big Plains Water.

Kathy Stoker, 1536 Mt Zion Dr. Asked about Cedar Point Water Company.

District Attorney Ben Ruesch commented if ok with the material portions of the agreement, suggest motion to approve subject to changing name, flexible on closing date, and subject to review of title commitment and approval subject to those conditions.

Victora Carlson with Snow Jensen legal counsel for the applicant commented to allow ancillary documents to be reviewed by legal counsel.

MOTION: Board Member Lindhardt motioned that we approve this sales agreement subject to the corrections pertaining to the name of the Water District we correct that. The only other one was strike any reference to in Section 9.02a, strike any reference to old District codes. That we are okay with closing date being changed to whatever accommodates the buyer and the seller and review of title commitment. Reviewed and approved by our legal counsel, signed by Chairman or Vice-Chairman.

SECOND: The motion was seconded by Board Member Zaharias.

VOTE: Chairman McGinnis called for a vote:



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Board Member Merritt - Aye
Board Member Zaharias - Aye
Board Member Lindhardt- Aye
Chairman McGinnis – Aye

The vote was unanimous and the motion carried.

9. PEHP Health Benefits Renewal.

Town Administrator Jauna McGinnis discussed PEHP Health Benefits renewal annually for health insurance. We can renew and have it available or don't renew and don't offer it. Board Member Zaharias discussed keeping it as an option.

MOTION: Board Member Merritt motioned that we approve the continuation of our relationship with the Healthcare benefits that we have had in the past and it would be basically an idol until employee is adopt what they want to take on.

SECOND: The motion was seconded by Board Member Lindhardt.

VOTE: Chairman McGinnis called for a vote:

Board Member Merritt - Aye
Board Member Zaharias - Aye
Board Member Lindhardt- Aye
Chairman McGinnis – Aye

The vote was unanimous and the motion carried.

10. Consider Approval of Format and Amendments to Personnel Policy and Procedures Manual, Resolution BPW-R-2023-04.

Town Administrator Jauna McGinnis reviewed amendments presented in the agenda packet. Benefits were discussed and reviewed for future amendments.

MOTION: Board Member Lindhardt motioned that we approve the changes as proposed and adopt the Resolution number BPW-R-2023-04.

SECOND: The motion was seconded by Board Member Merritt.

VOTE: Chairman McGinnis called for a Roll Call vote:

Board Member Merritt - Aye
Board Member Zaharias - Aye



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Board Member Lindhardt- Aye

Chairman McGinnis – Aye

The vote was unanimous and the motion carried.

11. Consider Approval of Format to Purchasing Policy for the Website, Resolution BPW-R-2023-05.

MOTION: Board Member Zaharias motioned that we approve the Resolution for BPW-R-2023-05 amendment for approving Purchasing Policy and Procedure Manual website format.

SECOND: The motion was seconded by Board Member Merritt.

VOTE: Chairman McGinnis called for a Roll Call vote:

Board Member Merritt - Aye

Board Member Zaharias - Aye

Board Member Lindhardt- Aye

Chairman McGinnis – Aye

The vote was unanimous and the motion carried.

12. Consider Approval of Format to Policies and Procedures for Retail Water Services for the Website, Resolution BPW-R-2023-06.

MOTION: Board Member Lindhardt motioned that we approve BPW-R-2023-06 approval of the format of the Policies and Procedures for Retail Water Services for the website.

SECOND: The motion was seconded by Board Member Zaharias.

VOTE: Chairman McGinnis called for a Roll Call vote:

Board Member Merritt - Aye

Board Member Zaharias - Aye

Board Member Lindhardt- Aye

Chairman McGinnis – Aye

The vote was unanimous and the motion carried.

13. Tank size requirement of minimum 500,00K gallons.

Chairman McGinnis removed item from the agenda.



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REQUEST FOR A CLOSED SESSION

No request.

PUBLIC COMMENTS

Annie Spendlove: 1260 E 2000 S, Apple Valley, UT Observing tonight our hiring package is not put together yet but the position has been published. As a younger person looking for employment and nothing set in stone with benefits package.

ADJOURNMENT

MOTION: Board Member Lindhardt motioned to adjourn the meeting.

SECOND: The motion was seconded by Board Member Merritt.

VOTE: Chairman McGinnis called for a vote:

Board Member Merritt - Aye

Board Member Zaharias - Aye

Board Member Lindhardt- Aye

Chairman McGinnis – Aye

The vote was unanimous and the motion carried.

The meeting was adjourned at 7:26 p.m.

Date Approved: _____

Approved BY: _____
Chairman | Andy McGinnis

Attest BY: _____
Recorder | Jenna Vizcardo



HINTONBURDICK
CPAs & ADVISORS

Big Plains Water Special Service District

**Audit Presentation
for the year ending
June 30, 2022**

Presented April 2023
By HintonBurdick CPAs & Advisors

Audit

- “Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, ... Misstatements are considered material if there is a substantial likelihood that, individually, or in aggregate, they would influence the judgement made by a reasonable user based on the financial statements.”
- We conducted our audit in accordance with
 - auditing standards generally accepted in the United States of America
 - and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States

Audit Reports

- **Independent Auditors' Report (Pg. 1-3)**
 - Unqualified or “clean opinion”
- **Report on Internal Control over Financial Reporting and on Compliance and Other Matters (Pg. 41-42)**
 - Also a “clean opinion”
- **Report on Compliance and on Internal Control over Compliance as Required by State Compliance Audit Guide(Pg. 43-45)**
 - Complied in all material respects (“clean opinion”)
 - One finding

Findings & Recommendations

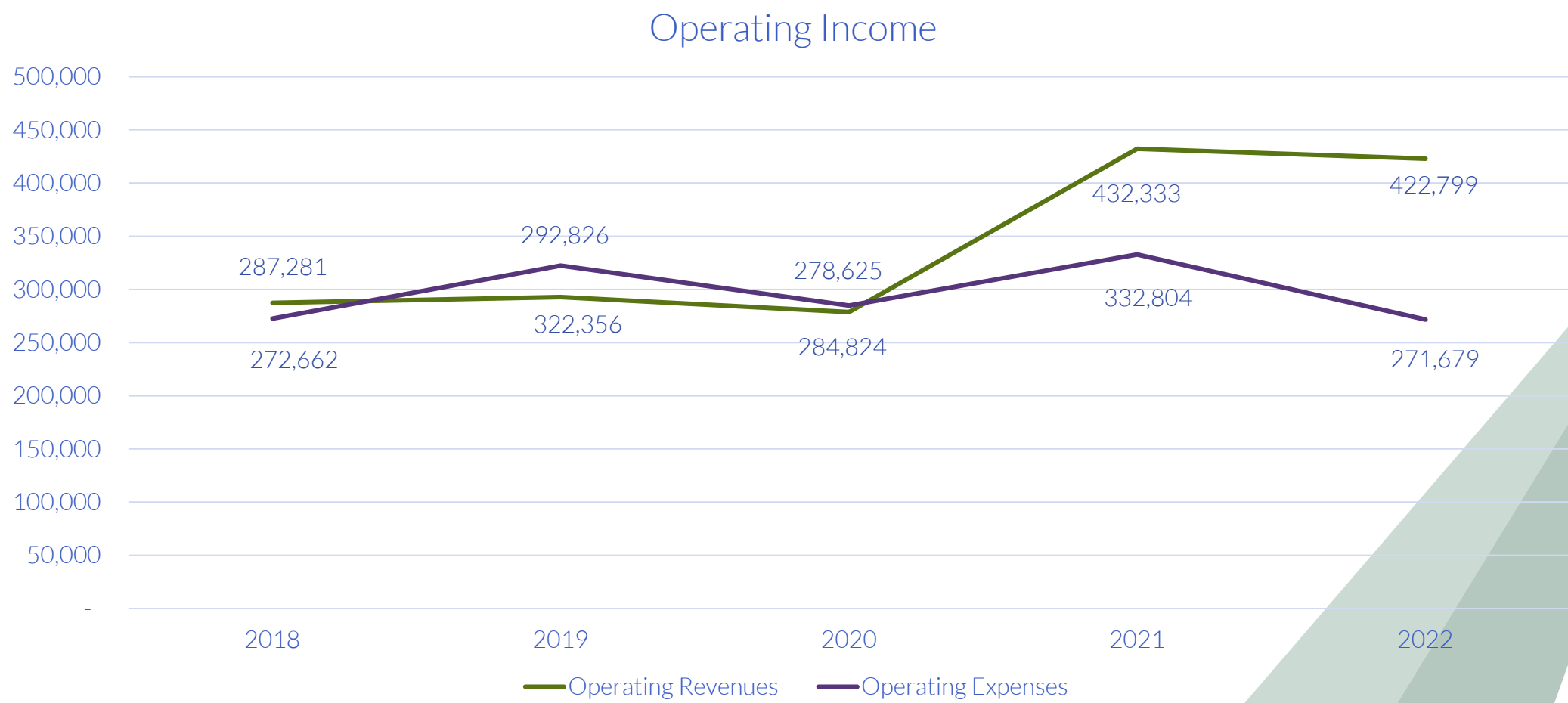
- **Material Weaknesses and Significant Deficiencies.**
 - None noted.
- **State Compliance Finding.**
 - Deficit Fund Balance
 - Districts with a deficit unrestricted net position are required to budget in the next budget year 5% or more of the Districts total actual revenue of the audited year towards reduction of the deficit.

Trends

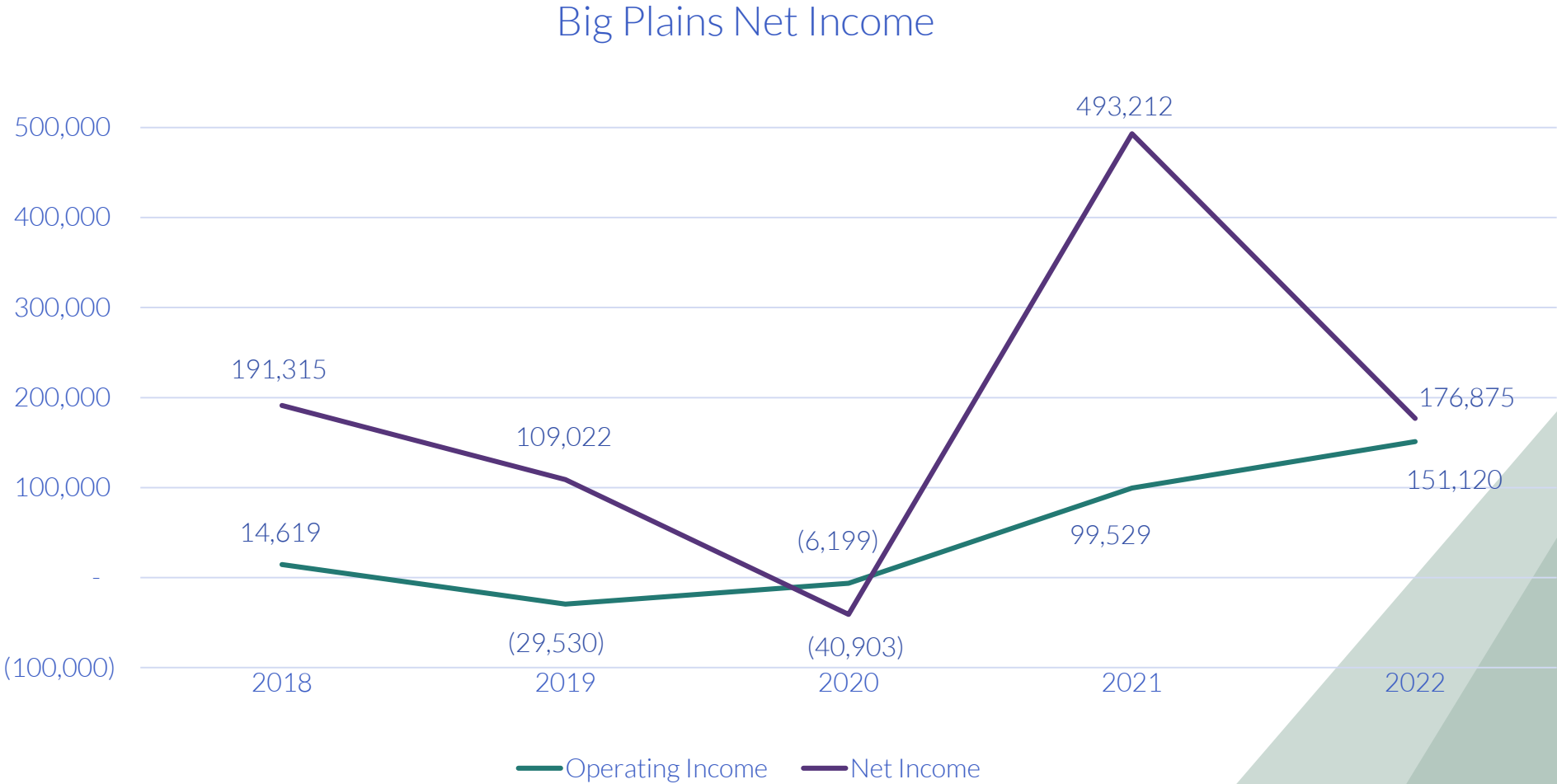
Big Plains Balance Sheet



Trends



Trends



Thank You!

We are grateful for the opportunity to work with the District and to all those who assisted us with this years audit.

Contact Information

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