



Utilities Monthly Report

August 2024

Gas Operations:

Natural Gas

Utility Staff have been working diligently on getting the natural gas system properly permitted in both Utah and Arizona over the past year. With the addition and approval of the Arizona Natural Gas system, additional inspections, reports and operational rules must be met. Staff have been working on an internal Safety Policy which will meet both the Utah and Arizona State requirements. A portion of the safety requirements includes the adoption and implementation of a Drug and Alcohol Policy for employees in Utilities.

Gas staff attended a Natural Gas seminar in Tempe, Arizona during August sponsored by the United States Pipeline and Hazardous Materials Safety Administration (PHMSA) an arm of the Department of Transportation (DOT). Staff were able to receive additional tools from the conference for use in the current systems including regulatory compliance, safety measures and programs, certification of operators, etc.

Gas staff installed 440 feet of four (4) inch gas main line from Oak Street to West Township Avenue to connect a new customer into the natural gas system.

Natural Gas billed Colorado City and Hildale City customers for July 2024.

Note: The Gas Usage Reports for June and July are not accurate due to manual readings being added to the system. Staff are working on getting updated readings from the system for future reports.



Propane Service

Gas staff delivered and hooked up two (2) propane tanks for customers. Staff delivered 4,300 gallons of propane to tank customers in July.

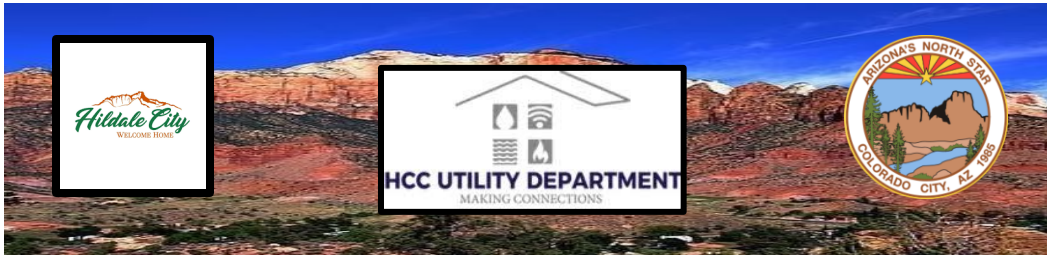
Sewer Operations:

The Sewer Lagoons have stabilized and are performing as designed.

Staff are working on advertising for bids for the construction of a building at the new headworks to keep the pipes from freezing in the winter and house the electrical controls from the weather. The work is estimated to be completed by November 2024.

The Utility Department purchased a new air compressor for the Sewer Lift Station as a replacement for the existing compressor. The existing air compressor has exceeded its expected life cycle (10-12 years) and needs to be replaced.



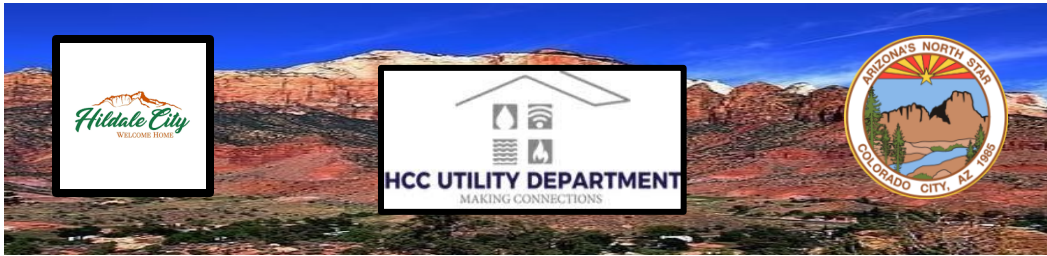


Water Operations:

The Water Plant is providing maximum iron removal and meeting all Arizona Department of Environmental Quality (ADEQ), Utah Division of Drinking Water (DDW) and the Environmental Protection Agency (EPA) Drinking Water standards.

On August 27th a call was received regarding a sink hole found on Richard Street north of the Water Treatment Plant. The Utility crew worked with Public Works crew and exposed a broken drainpipe from the Water Treatment Plant. Crews found an abandoned, empty power conduit which had been bored through the middle of the Water Treatment Plant backwash drain line. The power conduit was lowered to go under the drain line. The Utility Crew repaired the backwash drain line. The Public Works crew added fill, soil compaction, repaired and repaved the hole in the road.





Well 24

Staff noticed Well 24 showed high pressure and low flow going into the raw water collection line. Utility Staff cut open the raw water line connecting the well to the raw water collection system and found the inside of the pipe was restricted with iron buildup. Staff used a sanitary, disinfected hose and jetted out the pipe to remove the restriction from the water line. Crews then added a new pipe configuration to allow for cleaning of the well line in the future from above ground and without having to excavate and cut the pipe in the future. Utility staff will be looking into other sections of pipes from the wells to the raw water line to add similar above ground access to the lines for cleaning.





Water billed to Colorado City and Hildale City customers for July 2024.

Note: The Water Usage Reports for June and July are not accurate due to manual readings being added to the billing system. Staff are working on getting updated readings from the system for future reports.

Administration:

Work continues on the drilling of two (2) new wells and the Raw Water Pipeline from the wells to the Water Treatment Plant from the funds received from Mohave County American Recovery Plan Act (ARPA) Grant. The shallow well is done and tested for flow and water quality. Funding sources are being researched to pay for a pump, motor and electrical equipment to pump the water for treatment and use in the culinary system. The deep well caved in during the initial drilling and must be re-drilled. The well driller received permission and permits to abandon the collapsed well and re-drill the new well.

The Raw Water Line is about 90% complete. When finished it will connect eight (8) wells to the Water Treatment Plant providing less friction than the current Raw Water Line. The reduction in friction will reduce the electrical use of the wells and we should see a reduction in electrical costs and increased flow from the wells to the Water Treatment Plant.

Permitting is still being completed for the Academy Well and Well #17. Due to a lack of permitting when the original system was installed, we are providing well and treatment data to ADEQ and Utah DDW along with receiving the proper permits. In addition, all wells must be tested for radionuclides to provide a plan to ensure all combinations of wells being used will still produce culinary water within the Maximum Contaminant Levels (MCL).



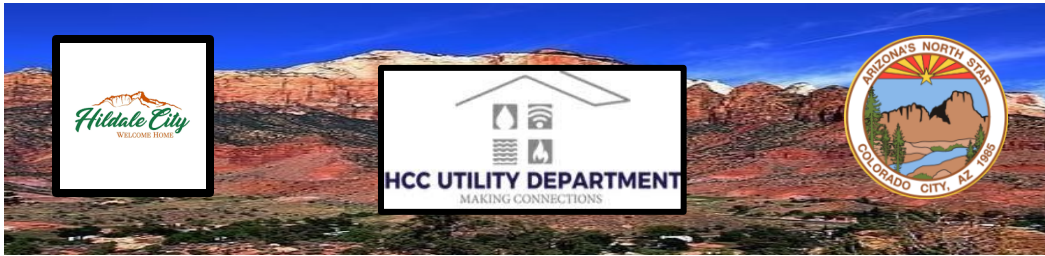
A request for emergency funding was filed with The Utah Drinking Water Board, Infrastructure Funding Section in August to assist the community with the low-pressure area of the system. The addition of the Pressure Booster Pump Station would resolve the concern over fire flows, water system contamination during high usage times of the year and improve the overall community health and safety for the area. We expect an official notice on the funding opportunity in September 2024.

Discussions have started with Centennial Park about the expansion of their Wastewater System and the impact it will have on our current Lift Station and Force Main. The City is using the On-Call Engineering list to select a firm to do the work. Staff is negotiating an agreement with Centennial Park Sewer District for Scope and Fee of the study, payment and legal requirements.

The Water Infrastructure Finance Authority (WIFA) of Arizona has introduced a new Water Funding Program with a \$2.0 million Grant and up to \$3.0 million Loan. Utility staff are recompiling a list of projects identified in various studies for the financing opportunity. Several projects have been identified including: Purchase and installation of the pumps, motors and electrical equipment for the new ARPA wells 25 & 26 for additional Culinary Water for the community. Water Tank Cleaning, Inspection, Recoating and Cathodic Protection. Adding SCADA for remote control and access to the Wells, Treatment, Distribution System, Tank levels/alarms and overall improvements to increase efficiency to the system. Replacing the Water Meters and Reading System for accuracy and efficiency for the water meter reading and billing.

As part of the proper and legal permitting of Water and Sewer infrastructure, staff have been working with ADEQ to get the various portions of the system into compliance.

Utility staff met with several local contractors for consideration of a Utility Extension Reimbursement Program/Agreement like a Pioneer Agreement. The ideas and



examples will be presented to the Utility Advisory Board (UAB) for consideration and possible action recommendations to the Councils. The discussion included the importance of proper state permitting for Water and Sewer infrastructure. The consensus was to have materials made available to contractors doing work in the community and handed out as part of the ROW Permitting Process so there are no hidden “surprises” when it comes to doing work in the community.

The newly revised Water Rate Increase was adopted by both Councils and will go into effect the first meter reading cycle in September 2024 which will be seen on the October 2024 water bills. This was the first water rate increase since 2014, (ten years) and will be implemented over the next four (4) years.

A meeting has been called to discuss a Utility related project for the Sewer Main line replacement, Water Main size increases and the addition of fire hydrants, installing conduit for Fiber, the extension and proper sizing/materials for the Natural Gas line in Homestead. It will be an opportunity to coordinate with all agencies on the work and upgrades to the area and the community. Public Works and Garkane will be invited to coordinate the project and all upgrades for the area.

PFAS funding from the National Government is available for treating the wells which tested positive for PFAS this year. We will work with EPA and DDW to implement the treatment.