

**Hurricane City Water Board  
Minutes  
June 27, 2017**

**Members Present:** Chairman Greg Last, Ken Richins, Pam Humphries, Mac J. Hall, John Slack, Toni Foran, and Kelby Iverson

**Item #1 Call to Order, Prayer**

Chairman Greg Last called the meeting to order at 6:30 pm and offered prayer. He called for a motion to approve the minutes of the May meeting. Pam Humphries motioned to approve the minutes, seconded by Mac Hall. Motion approved.

**Item #2** – Ms. Fontaine was not present. Ken Richins explained the issue with Karina Fontaine, saying the previous owner never paid for an irrigation connection and Ms. Fontaine recently bought the property thinking it was entitled to the irrigation connection. Michelle in the utility office noted the bill for water was lower than other houses without an irrigation connection and sent the Water crew to investigate. They found the connection had been made and locked it off. Ken suggested the Water Department will need to investigate that area in the fall and find any other illegal connections. The Board discussed the situation and recommended Ms. Fontaine be told she needs to make arrangements to pay the \$400 connection fee at just \$25 a month and have the irrigation fee added to her monthly bill if she wants the connection. She will not be required to pay the monthly irrigation fee for the water used from the time she bought the house until the connection was discovered. The Board recommended she go back to the seller if the property was represented as having a valid irrigation connection. They said she could come to the Board next month but the Board is not likely to make a different decision.

#3 The Board discussed the Sand Hollow Basin water rate increase due to the increase in the Water District rate increase. Pam suggested the Board make it automatic, tied to the District increases. Mac J explained he preferred the Board review it every year to be sure it is fair and to give the citizens evidence the City is not just automatically increasing their bills. It was pointed out there may be a need in the future for a rate increase in other areas of the City if the other areas start using a higher percentage of water from the District.

Mac J motioned to recommend an increase of 10 cents per thousand to mirror the District increase for the Sand Hollow Basin water rate, effective with the August bill, seconded by Pam. Motion unanimously approved.

#4 Ken Richins gave a system review. He said the springs and wells are doing well despite the heat. He reported the new South Fields Tank is done and they will be filling it in the next week or two and put it into the system once all the tests are back. Construction on the Dixie Springs Tank is waiting on a second appraisal. The first appraisal came in at \$7200 an acre. Construction will required about 3.5 acres from the Lowe property and a road dedication for the Right of Way from Western Mortgage. The City

Engineer believes he can get money to pay for the right of way from County sources. In response to a question Ken stated he believes the property owners are willing sellers.

#5 Mac J Hall reported the City agreed to accept the Frog Hollow Dam as is so as soon as he is able to track down deeds and water right documents the City will be proud owner of a real fine debris basin.

Ken told the Board members that Connie Martin had surgery today that went well and that she is expected to be able to go home tomorrow and recuperate for a week before coming back to work. The Board members wished her well.

There was general discussion on the time of day watering ordinance and the agricultural exemption as well as the sensors that allow the water from Toquerville Springs to fill the irrigation ponds when needed and flow into the City's lines when the water is available.

Clark Fawcett joined the meeting and passed out the financial statements for the Water Fund. He said it looks in good shape, currently showing approximately \$952,000 cash balance including the depreciation fund. He explained it looks better than last year but, because the money for the water tank bond has not been transferred to the City, the balance sheet shows an overall deficit right now. He stated right now it does not look like a water rate hike is necessary to maintain a healthy balance.

Ken asked how that will look when the budget has to absorb the \$200,000 annual bond payment and Pam asked if looking at a water rate increase will be necessary in the fall to ensure the fund does not fall behind. Clark said he was not opposed to having the Board look at it in September when the journal entry for the bond proceeds of \$2.1 million has been made and there has been time to get a better picture of the fund, though he expressed a belief the cash flow should still be positive with the \$239,000 bond payment. Ken explained the South Fields tank should be complete and all the draws made by the end of July but that the Water District expects the City to up-front the costs for the Dixie Springs tank and then repay those costs.

Clark stated he believes the Board should look at water rates every year to keep a safe margin in the fund's cash balance but unless there is a huge need the City should not raise rates.

Ken stated he believes the next big project coming up will be the 300 North rebuild, scheduled for 2018/19 fiscal year, when they will upgrade the water line to a 10" ductile line while the road is being rebuilt but that should be covered with impact fees and depreciation.

Dr. Last summarized that the Water Fund looks to be in pretty good shape, once the bond money is paid, but the Board will review rates regularly when the bond payments start but not raise them without good cause.

He asked for a summary of the overall health of the City budgets. Clark said overall revenue has grown well for past year, except for the power fund where more efficient use of power has left them with a 2% growth and for the golf course where wind hurt their income for two bad months.

Mac J asked about the secondary irrigation system. Clark stated he has changed the allocation of administration costs and he believes that fund will be in a position to have some money in reserve and

some cash flow. There are still two bond payments but the one for the original system will be paid off this year and the one for the pond will be paid in 2018. He said in another year it might start making payments back to the enterprise funds.

Meeting adjourned at 7:35 p.m.