

Minutes of the regular meeting of the Big Plains Water and Sewer Special Service District, Washington County, Utah that was held on the 16th day of May, 2012 at the Smithsonian Fire Department Building, 1777 N. Meadowlark Dr., Apple Valley, Utah.

1. The meeting was called to order at 6:03 pm.
2. The Pledge of Allegiance was led by Chairman Dennis Bass.
3. Roll Call: Neil Duncan, Harold Merritt, Kevin Sair, Mayor Moser, and Dennis Bass were present. Nathan Bronemann took minutes. Legal counsel Nick Turner was present. Rod Mills from Ensign Engineering was present.
4. Declarations of conflict of interests.

None Stated.

5. Discussion and possible action on the election of a co-chair

Motion made by Neil Duncan to nominate Harold Merritt as the co-chair of the board of directors of the SSD. Kevin Sair seconded the motion. Vote: Neil Duncan-yes, Harold Merritt-yes, Mayor Moser-yes, Kevin Sair-yes, and Dennis Bass-yes. The motion passed 5/0.

6. Discussion and possible action on the purchase agreement

Rod Mills announced that the multiple level agreements were moving forward and that the private companies had reached an agreement to consolidate. He said that there was still some due diligence that needs to be taken care of, but that the process was progressing. He said that closing was not an event, but a process, and that process was somewhat complicated and time consuming.

Rod Mills reported that the Town of Apple Valley was in a position to be the recipient of about 50% of the total funding that Rural Development had allocated for the entire state of Utah for the entire year.

Rod Mills said that the funding closing would be separated into two separate components, one being acquisition, and the other being for the construction of infrastructure. He said that it was conceivable to have the funding in 30-45 days, but it may take longer. He said that the funding closing was now imminent.

Nick Turner said that they still needed to verify all the descriptions and title reports, they needed to make sure all warrantees were in place and that the operational transition was properly laid out. He said that they were still waiting for additional information from the parties involved.

Jack Davis asked if there would be transparency throughout the process.

Rod Mills said that the agreement that had been signed was now public.

Mayor Moser said that as soon as all of the contracts had been signed, they would all become public and could then be requested.

7. Discussion and possible action on letter to Washington County Water Conservancy District regarding Lake Powell Pipeline Water

Mayor Moser explained that since Iron County had backed out of the Lake Powell Pipeline Project, there was a potential block of water that they wanted to allocate. He said that there was

about 13,000 acre-feet of water that would pass through the Town of Apple Valley. He read the letter that requested consideration of allocating a block of water to the Apple Valley area.

Motion made by Mayor Moser to forward this letter of intent to Ron Thompson. Neil Duncan seconded the motion. Vote: Neil Duncan-yes, Harold Merritt-yes, Mayor Moser-yes, Kevin Sair-yes, and Dennis Bass-yes. The motion passed 5/0.

Rod Mills explained that the water was raw water from Lake Powell and that it could be used for non-culinary outdoor usage. He also said that if the SSD was the holder of that water, it could sell it to other areas and with those profits, it would have the ability to offer lower water rates to Apple Valley residents. Rod also explained that Apple Valley was unique in that it had considerable elevation with respect to neighboring areas and that would be an asset if water was to be distributed from Apple Valley.

Mayor Moser added that the Washington County Water Conservancy District (WCWCD) was looking at constructing a treatment plant and that Apple Valley would make a good location for that. Mayor Moser clarified that this was not a commitment on the part of the WCWCD, but simply a request that they consider reserving that water for the Apple Valley area.

Margaret Ososki asked if the Lake Powell Pipeline Project had been approved.

Mayor Moser said that the project was moving forward and water could be flowing within five years.

8. Discussion and possible action on letter to Jepson Canyon Resort

Rod Mills said that he had drafted a letter to confirm and finalize the legal instruments necessary with the Jepson Canyon Resort for their donation of land for the construction of a one million gallon water storage tank.

Motion made by Mayor Moser to approve the letter and to send it to the Resort. Dennis Bass seconded the motion. Vote: Neil Duncan-yes, Harold Merritt-yes, Mayor Moser-yes, Kevin Sair-yes, and Dennis Bass-yes. The motion passed 5/0.

9. Acquisitions – Dennis Bass

Dennis Bass said that they were still waiting for the agreements to be finalized.

10. Funding – Kevin Sair

Noting to report.

11. Operations – Neil Duncan

Neil Duncan introduced Dale Harris, a town resident that had all the experience necessary to qualify for the certified operator position.

Dale Harris described the experience that he had and mentioned that he had provided his resume to the board.

Rod clarified that they would have to go through a job posting and interview process, but that they appreciated that there was at least one qualified resident.

Kevin Sair asked if they would need chlorinate any of the well water that was being purchased.

Rod Mills said that would remain to be seen since the private water companies had not been testing the water as often as required.

12. Resource Management – Mayor Moser

Mayor Moser reported that they had all been putting a lot of time and effort into the work on the agreement to obtain the resources.

Rod Mills added that when the acquisition was done, they stood to have over 10 million in water rights assets.

Jack Davis asked if they would need to keep and maintain their personal water filtration systems.

Rod Mills said that he hoped that they would not be necessary, but that he was unable to answer that question at this time.

Mayor Moser said that it was hard to predict an exact timeline for the closing on the purchase agreement due to the complexity of everything involved.

13. Development – Harold Merritt

Nothing to report.

14. Consider approval of minutes:

a. May 2, 2012 Regular Meeting Minutes

Motion made by Mayor Moser to approve the May 2, 2012 regular meeting minutes.

Harold Merritt seconded the motion. Vote: Neil Duncan-yes, Harold Merritt-yes,

Mayor Moser-yes, Kevin Sair-yes, and Dennis Bass-yes. The motion passed 5/0.

15. Request for a closed session

None requested.

16. Adjournment

Motion made by Mayor Moser to adjourn the meeting. Harold Merritt seconded the motion. Vote: Neil Duncan-yes, Harold Merritt-yes, Mayor Moser-yes, Kevin Sair-yes, and Dennis Bass-yes. The motion passed 5/0.

Meeting adjourned at approximately 6:49 PM.

Date approved: _____

ATTEST BY: _____
Nathan Bronemann

Chairman Dennis Bass