

Special Service District #1

July 11, 2017

The meeting was called to order by Chairman John Byars at 7:04 p.m. in the Sevier County Administration Building. Dennis Larson and Ken May are present. Also present are Kary Monroe and Cher Parsons from Jones & DeMille Engineering, Bob Watts from Sevier County Road Department, Charley Irons from Wolverine Oil, and Rick and Lance Roberts from Kimball & Roberts.

Minutes:

Ken made a motion to approve the two previous month's meetings minutes as read and approved by all members of the Board. The county planning and zoning minutes were attached to April's minutes. Dennis seconded, all were in favor.

Financials

Rick Roberts, from Kimball & Roberts, presented the yearly financial report for December 31, 2016. Lance Roberts discussed the test issues and state compliances from the State. State requirements require that the agenda and minutes be posted within three days after the minutes are approved. Minutes will be sent to Barbara Crowther the day following posting. Lance noted that the treasurers bond required by the State has been insufficient. The treasurer or fidelity bond is based on the previous year's (2015) revenues. Last year's revenue (2015) was \$7,000,000 and the bond is calculated at 5% from a table. Miller & Company has taken care of the increase in bond. Dennis made a motion to approve the 2016 audit as presented by Kimball & Roberts, Ken seconded, all were in favor. Lance and Rick exited the meeting.

Dennis presented the financials for June. He gave a copy of the May's financial to the Board, but all the information in May's financials is contained in June's. Dennis made a motion to approve the financials from May and June as presented, Ken seconded, all were in favor.

Oil Presentation

Charley Iron's gave the Board a report of what the oil company is doing. The Covenant field was discovered in Dec. 2003 and by mid-summer of 2004 was on line. After this, they quickly expanded to the perimeters of the field. There are 21 producing wells. There are 3 that will need to be re-drilled. They just finished drilling 3 new wells on the Covenant Field. They should be on line by mid-August. Charley is permitting another well right now with instructions to permit another. They are producing about 3,000 barrels per day. They are trying to maintain the health of the fields. There should be an increase in production soon, but not to look for a big windfall. The reduction in price and the number of barrels produced affects the Districts revenues. Regardless of the price of oil, when the price of oil is down it is a wonderful time to drill. All the fuel costs and steel are lower. All the seismic was completed before the price of oil dropped. They are making 12,500 barrels of water per day that is piped down to where it came from. There are two salt water disposal production wells. The cumulative production of the wells is 24,845,000 barrels. Dennis asked about the life of the field. Charley stated the prognoses from the beginning was approximately 30 years. Dennis told Charley that the Board appreciated him coming in to let them know what is going on. Charley exited them meeting.

Invoices

Dennis presented invoices from the Reaper, Kimball & Roberts, and 6 months' worth of bills from Miller & Company. Ken presented a bill from the Sun Advocate and for the public notices. Bob presented invoices from KD Fencing for posts and pounding for the snow fence on Quitcupah and grinding on

Gooseberry road where the road is sliding. [Discussion on Gooseberry Road: There were big cracks and settling on the road. They decided to go in and rotomill the asphalt so Bob and his crew could grade the road until the sliding stops. Bob took a track-hoe last week into the actual slide area and drained the ponds just above the road at Taylor Flat.] He also had an invoice for mag-chloride. Kary presented invoices for the Crane Loop Rocky Ford Canal, Convulsion Road Construction, Cove View, Chip Seal, GIS, (Kary stated that all J&DE is doing is the cleanup of this project). Burrville, Minutes, Willow Creek Turn Lanes, and Salt Storage Building. Kary also presented contractor pay estimates for Carlisle's for Crane Loop and Rocky Ford Canal, and Sunroc on Convulsion Road (John recused himself from signing this estimate. Dennis made a motion to approve the invoices and presented, Ken seconded, all were in favor.

John suggested to move the August meeting to the 9th. John will ask Barbara to advertise the new date.

Chip Seal 2017

The preconstruction meeting is Tuesday the 18th at 3:30 p.m. Kary stated that Jeff Carver wanted to be there and he will see if Robinson and Barney Trucking could also be there. Bob and Kary drove around the 2016 chip seal roads because they are reaching the one year guarantee. There are chips that have come off some of the roads. Kary sent the contractor an email to have these corrected. He will be around the area the last week of July and will clean these up. Darwin Lamb will lay the chips down on the 2017 project, but Geneva Rock will oversee the project.

Convulsion Canyon Road

Kary gave the Board a copy of the change order for riprap and lowering the pipe for about \$16,000 to \$17,000. Part of it was paid on the presented invoice. Kary asked John if the yard area is cleaned up. John stated he thought it was, but he will look. Bob said he's looked at it and it is cleaned.

Crane Loop

On Brooks Curtis's place, there is a new culvert on the driveway and he cut the ditches into it on the side of his field. The ditches aren't at the right grade. He would like a new 40' culvert across the road by his house. The Board stated it was a reasonable request. Kary stated that the cost will be \$1,500 to \$1,600. Kary would like the contractor to buy and place the culvert consistent to his bid. It will be an additional quantity to the project.

Cove View/Rocky Ford Canal Road

Started Monday. They are working on the south end. Kary gave the board their copies of Burrville, Convulsion Canyon, and Cove View contract books. This project should wrap up in about 3 weeks.

Burrville

Starting Monday, the 17th. They are crushing now.

Doctor Creek

Kary hasn't talked to Layne about where they are at.

Salt Shed

Kary showed the Board the drawings of the project. Kary also shared some cost estimates with the Board. He had one for the asphalt in the bottom of the pond for a total project of \$306,000. If they use concrete in the bottom of the pond it is \$330,000. Bob would like it to be concrete. John and Ken would like to have a stem wall for at least 16" around the metal building to be part of the footing. John also thought there should be better lighting and safety hazards on the building slope. John also wants them to make

sure there is proper ventilation in the wash bay. Also, they need to make sure there is a broom finish or grit on the concrete in the wash bay. John asked if there are any fire hydrants located at the project. Kary stated that there are. They need to watch what they are doing with the grade on the outside of the building. Kary would like to send out the metal building specs to three qualified contractors. When they receive the bids for the building, the bidders will include the foundation and footing information. J&DE needs these to finish the footing design. Once this is done, J&DE can finish the package and put it out to bid to contractors. The contractor will do the concrete work, install the metal building and do the finishing work. J&DE will move forward with getting the building package out. It is estimated to be around \$50,000. Kary asked Ken if he had checked on the tax-exempt status. Ken stated that he hadn't. Bob would like to run it through the County to get the tax-exemption, if necessary.

Willow Creek to SR89 Turn Lanes

Ken will go to meetings with UDOT on this project. Kary stated that UDOT called Ken and told him they had a project planned for this section of the road. UDOT wants to do all the design and have it included in their project next year. J&DE came up with a cost estimate of what this will be and then the District will put the money toward it. J&DE figure of \$1,262,000 would be the total if the District would do it on their own. UDOT will write an agreement for the District to pay \$631,000. The county roads on either side of the project needs to be tied in. Kary has another estimate of \$219,000 for this area. He doesn't know if UDOT can do this with their project or whether the District will have to do something different. \$631,000 will buy the District half of the \$1,262,000 project. There will be right-hand turn lane going north, a left-hand turn lane if you're going south and acceleration lanes going north and south. It will be almost a full build out of four lanes There won't be anything for coming out of Redmond. Once UDOT brings their agreement to the District they will have to make the motion to approve the project.

Bridge Maintenance

The project is setting.

Richfield Auction Road

Needs to get a deed to get a 66-foot right-of-way. The auction side will need to give them a right-of-way. It will be just a gravel service. There are some drainage problems that need some survey information. Bob can possibly do some of the work.

West Aurora

Kary and Bob meet with some people on the West Aurora project. Kary showed the Board some pictures of the runoff of manure and debris that overflowed culverts caused by the heavy rain. It came down from Bob Bagley's corrals. It also got into Royce Mason's home. Kary stated they should pull the 12" culverts out and put in 18" culverts. They will be given permission to make a bigger ditch and when the culvert is put in they will make a berm to keep the water from coming in their yard. John thinks they need to make it right on the road. The ditches aren't very deep. There is a sewer cleanout in the area. Ken asked if there was someone who could work on it quickly. There was a discussion of who could do it. Kary will talk to Rasmussen's to see if they can get it done. Bob would like to put some rock in after it dries out and possibly extend the asphalt a little further. They will not do anything inside the houses.

Bob would like to see if Scott Anderson can find a better area to crush rock on the frontage road. There are areas that they can't get trucks through. It would be more feasible to go half way each way. They would like to see the material in place so they can work on it when possible.

Kary stated that Bob doesn't have enough pipe in his yard. Bob can buy it to put in his yard. Bob needs to look at what he's got and see what he needs.

Dennis made a motion to close at 9:25 p.m., Ken seconded, all were in favor.