

MINUTES OF THE SPECIAL WORK MEETING OF THE CENTRAL VALLEY TOWN COUNCIL MARCH 12, 2026

A work meeting of the Town Council of Central Valley Town was held Wednesday, March 12, 2026, at the Central Valley Town Hall, 50 West Center Street, Central Valley, Utah after being duly called by Mayor Barney. Timely notice had been provided pursuant to Section 52-4-6, UCA, 1953 as amended.

Town Council Members Present: Joe Reynolds, mayor pro tem; David Nielson; Susan Outzen; and Ron Cropper. Mayor Barney was excused due to recent surgery.

Staff members present:

Emma Jo Cadwalader, Town Clerk
Brandon Barney, Maintenance/Water

Public Present: Josh Christner, Town attorney; Robyn Ames

Meeting called to Order Mayor pro tem Joe Reynolds called the meeting to order at 6:32 pm. He led the Pledge of Allegiance and invocation was given by Emma Jo Cadwalader.

Agenda:

1. Departmental budgets for FY26-27:

Town clerk, Emma Jo Cadwalader, distributed a budget worksheet to each department head with the preceding budgets for the past 3 years. As a new budget must be approved in June for the July 1, 2026, new fiscal year and we have new council members it was prudent they be aware of the departmental budgets. David Nielson wanted to know how the roads budget got so high during 2025. It was explained that the Sevier River Road was completed this year. The clerk explained how a Capital Projects fund can be used and David said that it was an enterprise fund in the past. Susan said she felt it may be advantageous to use a Capital Projects fund when we are saving up for planned improvements or projects. David said it was just semantics – call it what you choose. Susan explained to the new council members that Central Valley Town has several budgets, General Fund #10, Capital Projects Fund #41, Water #51, and GFA & Long-Term Debt #91. Joe wanted to know if the town accepts donations for the 4th of July. Dave told him that the town sponsors the event and has tried to keep any type of commercial enterprise not involved with it. He said that at one time in the past they let the boy scouts do something but that was an exception. Dave stated the 4th of July was only 4-500 dollars a year. The budget showed it was \$3500. Ron wanted to know if the Parks budget is 53,000, is he at liberty to spend it as he sees fit? Brandon wanted clarification as to how much money a department head can spend without submitting it to the town council for approval. Dave said he thought it was \$2,000. This will be verified and reported at the next meeting. Council members were asked to review and submit their budgets to the clerk.

2. Brooklyn Canal conversion to underground:

Josh Christner, Central Valley's legal counsel, reported that he had contacted all 3 canal companies Central Valley has shares of water (Brooklyn Canal Company – 29 shares, Richfield Canal Company – 4 shares, and Sevier Canal Company - 6 shares) on February 16, 2026 putting them on notice that Central

Valley Town is exploring options when it comes to converting shares from irrigation to underground culinary. At this point only Brooklyn Canal Company has responded, stating the only way they can give a response is if an application is formally submitted. However, they have asked for some time, but don't know how long this would take. At this point there are two questions:

- 1) Do we engage in more dialog with Brooklyn to get a timeline as to when they are going to have the policy? -or-
- 2) Do we submit the application?

And then for the other two, since we have received no response, do we just file our applications and get after it? Josh found that the Division of Water Resources only has figures for Sevier Valley and Brooklyn available at this time to do a full application. Richfield Irrigation will not disclose their conversion rates as far as how much water per share we get. Susan asked if it depends on the water year as to how the conversion runs or is it always the same amount? David said he understood it is typically based on the water year because your water shares are totally based on the water year. He said he had heard Richfield is only going to offer $\frac{3}{4}$ of a foot per share although 3 years ago we got 3 feet per share. He said he was not aware of them ever establishing a set standard for a conversion rate in the past. Joe asked if we were to convert at $\frac{3}{4}$ of a foot, would that same conversion rate apply for all upcoming years. Dave said he thought it would. Susan asked if the surface allotment would affect the underground. Dave said they would put that set amount for underground and that it is going to stay the same regardless. Josh presented a quick overview of the application process:

- We submit our share applications through the Division of Water Rights
- They go to the canal companies, and he believes they have 120 days to respond
- During that period, they can:
 - Approve our application for conversion
 - Approve it with conditions
 - Deny the application (giving reason for denial)
 - No response within the 120-day period is assumed consent

They have criteria they look at, such as increased costs to the water company, whether it will interfere with the ability to manage water for the other shareholders. If they deny, we could file an action in district court seeking a court review of the reasonableness of the conditions for denial. Then we could ask for a final order allowing us to file the proposed changes. Basically, we would have to take our case to court, they would have to respond and then we would wait for the judge to approve our application or deny it. Once we get consent, we then file with the State Engineer. Susan asked if the volume of water has a bearing on the conversion rate. Dave says that the canal companies may not have reported to the state, but he believed the canal companies have a conversion rate in mind but not on record. He said the conversion rate they have used in the past would probably be the rate they would give us. He said the conversion rate doesn't change much. Josh said he didn't know why Richfield Canal Company doesn't publish their rate. He said he plans to talk to their general council, Marcus Taylor, about it. Josh said that right now, we need to know specifically what to do with Brooklyn because they are asking for time to put policy in place before we submit an application and he felt that they have their reasons for doing that. At $\frac{3}{4}$ per foot, it would be about 25 new hook ups in town. Josh asked the council where we should proceed at this point. He stated he needed to get the information from Richfield Canal Company. David said in the past Brooklyn has allowed conversion and that Richfield Canal Company has always said they wouldn't. Assessments for maintenance are always paid no matter what, that's nonnegotiable, required by state law.

Josh stated that based on his evaluation:

- Sevier Valley – They have not responded. We have the values for them, so we are free to file the applications.

- Richfield Irrigation – we can try to get the values and file the application, but he felt it almost certainly would go to court. He said the council needs to determine whether it would be worth pursuing those 4 shares.
- Brooklyn has asked for more time. He said he didn't know if we wanted to give them more time or just start the 120-day clock now. He felt it might be beneficial to schedule another work meeting and invite them to come so they have an opportunity to clarify what is going on and allow the council to ask more questions- like how long, and what we need to do. He said he felt there's no reason they couldn't give us a preliminary and if they can't give a good enough answer - then at that point in time file the application.

He said that was his opinion, but he would defer to the council on this matter because the council is the policymakers and decision makers on that one. Susan asked how much it cost to file an application for conversion and Josh said he could find out and tell her in the morning. Joe wondered if pursuing through the courts would be expensive and take a long time. Josh agreed that it would not be an overnight thing and that whenever you go to court you run the risk of the judge not ruling in your favor. However, if we filed an application, it wouldn't go to court until we got a response from the canal company that explains why they reached the decision they made. At that point, we determine whether we have legitimate grounds to get it reversed in court. Susan asked if the courts would give more sway to a small town wanting culinary water. Josh said he didn't really know but would like to think they would. At the ¾ conversion rate, Sevier Valley would result in 3.6 underground water shares. Following a discussion, Susan said she wanted to reverse the change that was made to the Consolidated Fee Schedule in the Water Service Fees section, under New Service back to allow the paying of \$25,000 in lieu of the required 1 acre/foot underground water rights. She wants that placed on the agenda for the next town council meeting. Josh again said he needed to know how the council wants to proceed with the three conversion applications. This will be placed on the upcoming council agenda.

3. Upcoming water shortage (summer): David asked what water shortage. Ron asked if we need to be proactive in encouraging the town residents to conserve. David stated Central Valley is not experiencing any water shortage and there is no water issue. Brandon Barney said that Tunnel Springs is running at 19-21 today, where last year it was running at 30. Susan recommended having the mayor write a letter to the residents of Central Valley to be proactive, encouraging water conservation voluntarily to be included with their monthly billing statement.

4. Discuss proposed tiered rate: Based on the information gathered of other communities in the area, Joe calculated the cost per 30,000-gallon usage and 40,000-gallon usage for comparison with Central Valley's cost for like amounts. Central Valley currently charges \$40 for 0-30,000 gallons used and \$.75 per thousand gallons used above 30,000 gallons. (Figures reflect culinary water only):

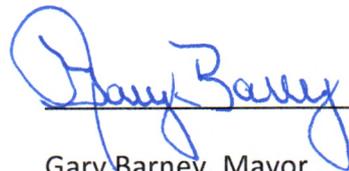
TOWN	BASE MONTHLY FEE	30,000 GALLONS	40,000 GALLONS
Central Valley	\$40.00	\$40.00	\$47.50
Annabella	\$38.55	\$73.55	\$77.05
Austin	\$28.00	\$81.25	\$103.75
Joseph	\$24.02	\$62.77	\$78.28
Monroe	\$22.05	\$61.80	\$77.30
Richfield	\$21.00	\$39.60	\$47.60

David said Central Valley has only had one increase in water rates since being incorporated. He thought it was in 2014.

In 2016, the Utah Senate passed SB 28 Water System Conservation Pricing which required retail water providers to establish an increasing rate structure for culinary water. (Rate structures are optional for public systems with **fewer than 500 connections** and for non-residential customers). The pricing structure goal is to increase conservation due to the high-end users being billed at higher rates. The base rate is basically a guaranteed source of money. This helps keep use rates lower and have operational funds to rely on. This helps maintain the production and distribution system. This source of revenue covers everything from water meters to well replacements. Joe said last night Tyler Timmons told him that when applying for a grant, odds are better when you have tiered system. Dave stated that he thought that at the time the rate increase was put in place the state didn't care that the town was currently meeting all their obligations, they just wanted the tier system in place. He said we are currently in a situation where we may need to go after some more money to take care of some problems with the water system. David said the only reason rates should be raised is if the system is not paying for itself, you are needing to cause people to reduce the amount of water they are using, or you need to put more infrastructure in place. He said he thought that if the town is in a situation where we are forced to raise the rates to obtain the financing needed, he thought it was fine to look at an increase. Brandon said Jones & DeMille and Tyler are currently working on a grant application that should be filed in June. Dave said he would like to see a table of actual water usage for the town per month to enable the council to consider a tiered system. Brandon asked if the cost to run the system was needed. Dave said he felt that it was needed. Joe reported that the average monthly power bill just to run the pumps was \$2691.00. Susan noted that you have all the other expenses, power, testing, chlorination, employee wages, meter costs, etc. Brandon said since starting chlorination there has never been an adjustment to pay increase, however chlorination alone currently runs almost \$1150.00 per month. Dave said costs to run the system need to be evaluated to determine what rate increases would be needed. Joe asked if Brandon could give the council a rough average cost to generate water to one house.

The above topics discussed will be reviewed at the upcoming town council meeting, March 18, 2026, and set to be voted on for approval as noted.

Adjournment: Meeting Adjourned at 8:09 pm.



 Gary Barney, Mayor

Attest:



Emma Jo Cadwalader, Town Clerk

VOTING: (circle one)

DAVID NIELSON		SUSAN OUTZEN		RON CROPPER		JOE REYNOLDS	
<input checked="" type="radio"/> YES	<input type="radio"/> NO	<input type="radio"/> YES	<input type="radio"/> NO	<input checked="" type="radio"/> YES	<input type="radio"/> NO	<input checked="" type="radio"/> YES	<input type="radio"/> NO

Minutes prepared by Town Clerk; Emma Jo Cadwalader