

Summit County Service Area #3
January 13, 2020
APPROVED MEETING MINUTES
BOARD OF TRUSTEES MEETING
629 E. Parkway Drive, Suite 1,
Park City UT 84098

BOARD OF TRUSTEES

Vince Pao-Borjigin, *Chair*

Larry Finch, *Clerk*

Eileen Galoostian

Carol Spiegel

Suzanne Carpenter, *Vice Chair*

Robert Olson, *Treasurer*

Michael Montgomery

BOARD OF TRUSTEES-ELECT

Vince Pao-Borjigin, Dinah Clissold, Hally Hanssen, Scott Sharp

In Attendance (Board): Vince Pao Borjigin, Chair; Suzanne Carpenter, Vice Chair; Bob Olson, Treasurer; Larry Finch, Clerk; Newly Elected Board Members: Scott Sharp, Dinah Clissold, Hally Hanssen.

Electronic Attendance: Suzanne Carpenter, Vice Chair until she arrived at 5:48pm.

Not in Attendance: Mike Montgomery, Carol Spiegel, Eileen Galoostian

In Attendance (Staff/Contractors): Marla Howard (General Manager); Eileen Haynes (Assistant Clerk); Chris Bullock (Roads Master/Water Operator).

In Attendance (Public): Bob Olson (Lot SL-C-153); Mary Jo Burgess (Lot SL-C-150) arrived at 6:08pm.

1. Welcome and call meeting to order at 5:36pm

- a. Review of December 16, 2019 meeting minutes: Bob reported his comments are included. No additional comments offered at this time.
- b. Approval of minutes: Larry requested the Chair defer review and approval of December 16, 2019 meeting minutes until our next meeting. Vince agreed.

2. Public Comment: Bob Olson, joined the public. Mary Jo Burgess arrived at 6:08pm.

Larry motioned to reopen Public Comment which was seconded by Vince. Support was unanimous. Public Comment was reopened at 6:45pm.

Mary Jo Burgess apologized for being late. She was waiting for the meeting to start at the Church. She stated, she is very concerned about the Layton Tree Farm Conditional Use Permit (CUP). If you look at what Larry Layton has said about the use of the road, it is not accurate according to at least three residents who live on that road. She has provided her comments to the County. Referring to page 3 of the County Staff Report, 4th paragraph, under Background, Pat Putt, Summit County Community Development Director, directed the Summit County Planning Staff to recategorize the Layton Farm as wholesale nursery. It also provides a definition which states "it does not include direct retail sales to individuals". She feels the County is ignoring the definition of *wholesale* in their approval because Layton Farms is very much a retail operation according to the Layton Tree Farm website. She wrote to Mr Putt asking if he means to permit retail sales in a wholesale zone. He replied yes. She noted, Mr Layton claims retail customers only come to his farm occasionally.

Ms Burgess approves of the condition that only 26k pound vehicles will be allowed on Cottonwood Trail. She believes a semi-trailer loaded with trees will exceed that limitation. He makes no mention of the gigantic dump-truck that uses the road regularly all summer long 2 or 3 or more times each day. Suzanne and Hally remarked, they hear the dump truck clanging several times a day. Ms Burgess asked, is there supposed to be a sign with a picture of the dump truck? Chris replied, yes. If you look at the County Staff Report, the dump truck listed weighs over 45k pounds so it exceeds their recommendations. The recommendations restricting the roadway is a good start. They state these are all public roads so we are limited to the types of restrictions we can put in place. Our trouble is going to be enforcing it. Larry

replied, that is always the problem. Chris continued, it is going to take waiting for Department of Transportation (DOT) or the Sheriff to catch his oversized vehicles drive by.

Ms Burgess stated, she has placed 'flags' at the end of her driveway because she is so afraid of the passing trucks. It is scary to her. (Discussion continued under Section 6).

Ms Burgess stated, it says in the second to last paragraph that it "excludes individual retail sales". Chris replied, he is not aware of retail customers visiting the farm. Ms Burgess replied, her interpretation is he can't sell those trees to anyone but wholesalers. He is definitely doing retail sales. Chris replied, that is out of our purview for roads and water. You can bring that to the attention of the Planning Commission at the CUP Hearing. Ms Burgess replied, she would like Staff to get our Counsel's interpretation of that code. Pat Putt, Planning Director, has told her Layton Tree Farms can do both retail and wholesale but the Planning Commission could reverse it. **Suzanne directed Marla, if she has time, she should reach out to Nathan to request that he attend the Hearing.**

She stated she will attend the CUP hearing. She requested the Board consult with our legal counsel about the retail interpretation and attend the CUP Hearing on January 14, 2020.

At 7:30pm, Larry motioned to close the public comment which was seconded by Vince. Support was unanimous.

- 3. Introduction of New Board Members and Training:** All the board members, current and elect, and staff introduced themselves. Vince stated 2020 will be his 5th year on the Board. Larry stated he has been a resident of Silver Creek since 1997. Scott stated he has been a resident in the area since 2014. Dinah stated she has been a resident in the area for 13 years. Bob stated he has been a resident for over 30 years. Hally stated she has been a resident for almost 8 years. Marla stated she does not live in Silver Creek and that she is a licensed Certified Public Accountant (CPA). Our State of Utah filings are now been performed in a timely manner and our last one revealed no exceptions to our submittal. Chris stated he has been a resident of Silver Creek for 18 years and was a Board member briefly. He was then asked to assume the role of Roads Master. A year ago, the Board offered him the role of Water Operator.

Vince invited the new Board members to share their decision to join the Board. Bob stated, he asked Dinah Clissold to join the Board because she is extremely sensitive to people's needs and she is a horse person which should be represented on the Board. Scott stated he has been a board meeting attendee for nearly five years. He has observed the progress of the Board. Hally stated she enjoys Silver Creek, the trails and appreciates that their quality of life is facing change due to growth. She has a Master of Business Administration (MBA) and runs a business with her family. She has four boys. She looks forward to the opportunity to work with a governmental and community entity. Suzanne stated she has moved into Silver Creek in 2014. She joined the Board in order to help the community and protect the vital outdoor quality of life. She has been on the Board for two years.

Vince stated, we are a unique organization. SCSA#3 is not a Homeowner's Association (HOA). We are bound by legislation with the State. We are a Service Area of Summit County. Our primary responsibilities are for roads, parks and trails. We have a separate Enterprise Fund which is our water system. The lower portion of Silver Creek is on the municipal water system which is completely controlled by the SCSA#3. The upper area properties are on wells for their water but most of the properties rely upon the water rights owned by the Service Area for their water. Although it is not easy being on the Board, we are mindful of the qualities that drew us to this community. We don't it want to become Park City, Promontory or Glenwild. The reason we have seven board positions is to ensure we get different perspectives whether it be equestrian, new homeowners or those with family pets and other animals. We are known as the Wild, Wild West.

Larry invited the *Board Members Elect* to stand and raise their right hand. He read aloud the oath of office for Scott, Dinah, Hally and Vince who affirmed their intention to meet the duties for which they are elected as described therein.

Vince introduced the roles of the Board. Larry requested that Marla distribute copies of the "Little Manual" to the new board members. Marla agreed. Eileen H stated she did so in December 2019. Marla stated, she will send it out again to the board members. Vince offered a job description for the Chair of the Board noting the Chair helps run the meetings and in the preparation of the agendas. The Chair provides signatory authority in certain areas and in the maintenance of order on occasion. The Chair is the point person on most projects of the Board. Larry stated, the Little Manual directs the Chair to formulate and publish the agenda and run the meetings. Vince added, the Vice Chair supports the Chair. The Clerk and Treasurer provide checks and balances within the organization for the financials.

Larry explained, the Treasurer maintains the financial records, signs the checks and reports financial data to the State of Utah. We incorporate the General Manager structure so Marla handles most of this now. In the past, we were a board-run organization. The position of Clerk is responsible for all of the documents and includes proper filing and ensuring compliance with the State Archives. We utilize a two-signature check-signing process. The Clerk prepares and approves invoices for the Treasurer to sign. After the Treasurer signs the checks, a second signature is required from either the Chair or Vice Chair. If the Clerk chooses not to approve an invoice for payment, it will come to the Board for discussion. The Clerk and the Treasurer have unique positions wielding a considerable amount of power within SCSA#3; much more so than the Chair or Vice Chair.

Larry continued, the term of office for Chair and Vice Chair is one year whereas the term of office is two years for Clerk and Treasurer. Vince added, the Chair and Vice Chair may not serve consecutive one-year terms while the Treasurer and Clerk may do so.

Vince stated, the General Manager keeps the Board organized and manages day-to-day operations. She is the main point of contact for our residents. We believe the Board should be focused on the bigger picture and provide direction for staff. We don't want to micromanage the day-to-day operations or speak on behalf of the Board to a resident without Board approval and input. There will be a lot of voting throughout our meetings. He encouraged the new Board members to vote in a way that reflects their values and not necessarily the value of your neighbor and in way that is the best decision for all the residents. Sometimes we will agree and sometimes we will not, but he hopes we can listen to each other's point of view respectfully.

Larry discussed the current subcommittees and projects such as the finance committee which is made up of the Treasurer, Clerk and General Manager who meet informally. We can't have more than three board members present at any single meeting unless we publicly announce the meeting in advance. We have a Water Rate Committee which has been composed of Larry, Suzanne and Marla. We have the recent study by the Rural Water Association. Our Greenfield Well, at 20-parts-per-billion (ppb) is out of compliance for the new federal arsenic standard of 10ppb. Fortunately, our District well has a rate of 3-4ppb so we have a special operating permit from the Utah Division of Drinking Water to blend our well waters to reduce the arsenic so the water delivered to our homes meets the federal standard.

Larry continued, the fourth committee is the Trails Planning Committee. Eileen G has laid out the groundwork, but we haven't been able to give it as the attention it deserves so we need help on that. We have financial constraints. We recently had a tax increase which is not something we wanted to do but were forced to do to meet our community needs. He stated, this is his 10th year on the Board.

Larry stated, we must elect our officers. Vince asked, is there any interest from anybody? Larry replied, he is willing to remain as the Clerk or, more importantly, move over to the Treasurer's position. He offered to train the next Clerk or Treasurer. He prefers to be Treasurer. Suzanne agreed.

Dinah stated, she is not good with money or numbers but would excel in just about anything else such as trails. Scott wondered if it would be best to serve on the Board for a year before serving as Chair or Vice Chair. Suzanne and Vince agreed that wasn't necessary but we want to have people in roles they want, and they are comfortable performing. The 'to-do' list is long. We have had to focus on certain areas such

as the Financials, Water and Concurrency issues that required our attention over the last two years. Our trails were built with a lot of volunteers and they are willing to come out and help again but we need to finish and adopt a Trail Plain. We also need to create a Volunteer Plan in order to mobilize all the people who want to help. Larry added, one of our revenue sources is Class B Road Funds which comes from the gas tax. We are looking at using 80% of those funds to secure a bond which will provide \$600-700k that we can apply to Capital Projects. This year we are getting behind already. We want to hold an open house in April to talk about how we want to spend that money before we bond for the money.

Vince stated, if you joined the Board 3-4 years ago, Service Area management was much more difficult because we also managed the day-to-day operations. Having a dedicated Staff allows the Board to focus on the strategic planning.

Hally stated, one of the three new people will have to take on one of the officer roles and inquired about the time commitments involved in each. Larry replied, the Clerk and Treasurer roles consume the most time. The Clerk position takes about 3-5 hours each month. He reviews the Board Packet and meeting minutes for about 1.5 hours to prepare for the next board meeting. The Clerk also comes into the office to review and approve invoices and attest the resolutions for about 3 hours each month. He referred the new board members to the Little Manual. He offered to work with the new Clerk and observed it is actually the most powerful position in the organization.

Hally asked, are you actually going out to physically inspect project completion for the invoices you review for payment? Larry replied, yes. If we have a project going on, and his schedule allows, he will drop by. Vince added, keep in mind, Marla is taking care of most of the stuff. Larry stated the two hard things we have to do right now is get a new water rate structure in place and it would be nice to have a board member dedicate some time to that. We have not yet come to consensus on this. How are we going to pay for it? Suzanne replied, depreciation and amortization. Larry replied yes, that helped us cure our water share deficit. The other big project is the Arsenic Treatment facility. We have selected the technology and the location. We know how to run it. We are seeking to fund a Water Quality Improvement project which will close some dead ends in our water system. We need to put some loops in, so everything runs in a circle. We are looking at \$1.2million cost. Suzanne added, don't forget the water tank. The Silver Bullet is failing. Larry stated, we don't know the cost yet but it's going to be a lot of money. That's going to add to the rates, and we haven't figured out a way to pay for that.

Vince stated, we are trying to find a balance because we only get 'X' amount of dollars. We must prioritize based upon public well-being and safety. Where we can, we add other desirable projects.

Larry stated, the good news is, particularly regarding the water, we don't have to be in a hurry. We have the time to fix the problems. Our operating permit is good for a long time. Marla added, we have to be conscientious about the fact that the total dissolved solids are reaching a point where they estimate we will have to shut-down the District Well in 10 years. **It makes sense that we should have something in place in 5 years to take the Greenfield Well up to the primary well then stop using the District Well.**

Larry stated, we own some property in the neighborhood. Some people say the residents own the property through their deeds and some people say the Service Area owns the property. On Echo Lane, we have a steel shed and that whole property is owned by the Service Area. We refer to it as the District Well. It is sometimes called the Echo Well. On Wasatch and Silver Creek Rd, in the middle of the field is the Greenfield Well. We have an underground 750k tank on Highfield Rd which is our primary tank. The Silver Bullet, the lower tank, is a secondary tank. The inspection indicates we need to do some major repairs or replace it. He asked, we don't have to do that tomorrow, do we? Marla replied, no. We need to be concerned that it is a welded tank which needs repairs. The estimate came in starting at \$125k plus \$15 per square inch (psi). Chris added, due to its location and height, we get 25% functionality from the tank. Only 200k gallons is useable.

Marla stated, working with our engineers Hansen, Allen and Luce (HAL), if we move our tank up the hill to another location, we can achieve greater effectiveness and have a lower tank height profile. The current

tank cannot be retrofitted to meet seismic standards. Selecting a location up the hill, we can choose a tank with a lower height profile that is more cost-efficient to maintain such as a bolted tank. We can use 100% of such a tank. We have consulted with Park City Municipal regarding some vacant land that might be suitable for our new tank. They are in the process of analyzing it. They have a leftover tank they might give us. We have a good working relationship with them. Their water quality manager has been assisting us on the arsenic treatment.

Suzanne stated, she agrees with Larry that the Clerk and the Treasurer have been fundamental to getting our systems and our procedures in place. As Vince said, our priorities have been the financials, the policies, and the reporting. The ordinances working smoothly. If you consider the work Bob had to do as Chair, the amount of time he spent was much greater than it is today. Without Marla, Bob was trying to do all the work of a General Manager on a regular basis. Larry added, and with no administrative assistance. Vince added, the area has just grown including Silver Creek. The good thing is we are about 80% built out.

Suzanne stated the Chair and Vice Chair work about 1-2 hours per week. The Chair more than the Vice Chair because the Chair is a point person for the General Manager and Counsel to consult for decisions and guidance such as what needs to come to the full Board. Marla added, the Chair is also the Public Information Officer (PIO). Vince stated, rather than 7 different voices we try to come together to determine a common Board voice. In the past, we have seen competing voices representing the Board to the community. Larry stated, in general, unless the Board has consensus through a public vote, no single Board member can speak for the Board. However, you can express your personal opinion provided you are clear you are not representing the Board.

Suzanne stated, the organization fundamentally relies upon the Clerk, Treasurer and General Manager to function. We rely upon the Assistant Clerk to keep our documents organized. Larry added, we are well organized now unlike two years ago. We were not structured properly. Vince added, over the last two years we have relied upon our Counsel to get our ducks in a row. We have updated policies last reviewed 15-20 years ago. We have clarified Service Area responsibilities such as reporting. There was a mad scramble to get the Service Area to a state of compliance. Larry added, the policies worked 10-20 years ago but they don't work today. We are a taxpayer funded entity and we have to remember our decisions have consequences to our residents and their property. We have had to get the organization working better. Suzanne, Vince and Larry agreed there was a transition. Larry stated, two of our funds have a budget of \$1.1million between them.

Scott asked Larry, do you have to change roles? Larry replied, no, he does not have to change but he thinks it would make sense to do so. He understands what the Treasurer does, and he will train the new Clerk. The Little Manual outlines the responsibilities clearly. He understands the financials already. Vince stated, these are public sector responsibilities, but we are not like Park City. We are unique. Larry added, we want to give good service to our constituents.

Suzanne stated, our new board members may take on any role, with the exception of Treasurer. Bob provided needed continuity which is very helpful. Vince added, he has observed Larry and Bob and they have been doing a great job. Hally asked the experienced Board members their opinion noting she would like to defer to them. Larry replied, it would make sense for Suzanne to become Chair and Vince become Clerk. Marla stated, she wonders if Vince's travel schedule will allow him to perform the Clerk duties. Vince replied, over the last few years he had been putting a lot of energy into the Board above and beyond. That worked for him because his job was part-time but his involvement at his company is growing and includes a fair bit of travel and so he will defer taking on any major responsibilities. Suzanne asked, so you prefer not to be nominated this year. Vince replied, yes but Vice Chair would be the only role he would consider.

Larry stated, he would like one of the new board members to assume the Vice Chair role so we would have a Chair-in-waiting. Suzanne and Vince agreed. Larry stated, he would like to nominate Scott for Clerk. Suzanne agreed. Vince asked the new board members for their thoughts, now that they know the time commitments. Hally replied, she expected she would spend some time learning. She wasn't aware there

would be a need to assume a role. She feels intimidated assuming a public role when she is learning. Larry replied, the Vice Chair runs the meetings when the Chair is unavailable. Suzanne stated, Hally would make a great Vice Chair.

Larry and Vince departed. New Board Member Training was presented by Marla prior to adjournment. . Minutes were not kept for this portion, but it is included in the recording of the meeting.

4. Election of Board officers – resolution review and approval:

- a. *Larry nominated Suzanne Carpenter as Chair which was seconded by Vince. Support was unanimous.*
- b. *Larry nominated Scott Sharp as Clerk which was seconded by Suzanne. Support was unanimous.*
- c. *Larry nominated Hally Hanssen as Vice Chair which was seconded by Suzanne. Support was unanimous.*
- d. *Suzanne nominated Larry Finch for Treasurer which was seconded by Vince. Support was unanimous.*

5. Meeting Schedule – review and approval: Suzanne stated, our General Counsel Nathan has a standing commitment on the 2nd Monday of every month and asked the Board if they were comfortable with February and March meetings being held without Nathan? Vince asked, would we prefer to hold our meetings on Tuesdays? Larry replied, he prefers Mondays. Hally stated, she is indifferent. Suzanne asked, does anyone have a problem with the proposed dates? We must publish it for the year. **Dinah will not attend for 2 weeks including March 9th but can be here on March 16th.** Marla stated, board members don't have to attend every meeting. **Vince stated, he prefers to meet when Counsel is available. Hally agreed.** Marla stated, we have set up our agenda to include voting as we go.

Larry motioned to accept the 2020 meeting schedule as proposed which was seconded by Hally. Support was unanimous.

Larry motioned to reopen Public Comment which was seconded by Vince. Support was unanimous.

6. Layton Conditional Use Permit: Marla directed attention to the staff report included in the packet. Bob stated, he lives on Cottonwood Trail, as does Dinah and Ms Burgess. We see these things and we know Mr Layton is in violation of the proposed conditions based upon what has happened in the past. There was a resident on Brookwood Dr who asked the County if he could grow trees for sale. They told him he could not but allow Layton to do it because Layton agreed to keep his tree roots balled up. The County seemed to think that is different than actually planting the trees and harvesting them individually. Layton is not following precisely what he had agreed to with the County because he is planting trees. In addition, Brookwood Dr would have been an ideal place to plant trees. Cottonwood Tr has a lot of growth on both sides of the road and there is no place for horses except in the road. Suzanne replied, she has encountered some of the trucks herself while riding. Dinah stated, it is very scary. Bob continued, it is a very dangerous situation when big trucks come down the road loaded with pine trees. It would have been better to have this activity on Brookwood Dr and not on Cottonwood Tr.

Bob stated, Mr Layton has been a good neighbor. Suzanne agreed. Bob continued, but there have been some problems that he hasn't addressed. Suzanne stated her concern is allowing any commercial truck into a residential area. Larry noted, he is doing it now without a permit.

Hally asked, in order to run any type of business in a residential area, permission must be granted. It seems we are also talking about the vehicular permission to use roads outside the scope of what they are intended. Is it true that he has been given permission, not only to have trees, but to run a business in a residential community? Marla replied, he doesn't have permission to run his business. That is the purpose of the CUP. Hally asked, does the CUP cover all implications of the business such as water, fertilizer, pesticides, roads, business operation permission, transportation, and all of that stuff? Bob replied, the water is a little different. We control the use of water. Hally stated, pesticides and fertilizers used on such a high-up lot will end up trickling downhill, to everyone's groundwater or well-water and down to our aquifer.

Vince stated, it is the County's responsibility to issue to the CUP. Our jurisdiction is roads and water. We can have our own opinion, but we can't act on it. We can ask, do we have enough water to serve a property? Are our roads capable of handling that traffic? Hally asked, could his chemical use in his pursuit of healthy trees, because it might affect our water, be eligible for our comment? Vince replied, no. Hally stated, so any comment she might make about that subject would have to be made as a private citizen? Vince replied, right. You bring up a good point. **If you go to a County or State meeting, represent yourself as a resident. Even by stating the fact that you are a Service Area #3 Board member, but you are acting as a resident, it muddies the subject. Just say "I am a resident, and these are my concerns".**

Hally asked, is the County asking us to approve the CUP or are they asking us to make a recommendation on whether or not the water and roads can support their approval of the CUP? What is our actual power or influence in this process? Vince replied, we can provide comment and conditions related to how does this application will impact our water and roads. Dinah asked, what about public safety? Suzanne replied, that is part of the roads. This application places commercial truck traffic on our road where there is no edge or shoulder to provide safety for people. Vince replied, yes, we are are concerned about it from a safety aspect but from a practical governmental aspect we have to use Chris' recommendations such as our roads aren't designed for this weight so we cannot approve that.

Vince offered another example, we are responsible for maintenance and roads. We can set the speed limits, but we have no enforcement authority. We can't give tickets. Only the Sheriff's department can do that. Suzanne added, we have responsibility for designing traffic calming measures within reason. Vince stated, in recent years we have started relying upon experts so when it comes to road design, which includes calming measures, there essentially a gold standard for how the entire nation does roads. In speed calming, there are best practices. For instance, you can't just throw a bunch of speed bumps along the roads because it slows down emergency personnel substantially. There is actually standard of 'X' number of speed bumps per mile. These are things we have to be cognizant of. We are going to have snowplowing issues. There are multiple issues that come with speed bumps and there are multiple ways to employ speed calming measures. Hally added, there experts who have studied these issues and we should learn from them.

Larry asked, when did the County inform the Service Area of the Conditional Use application was filed? Eileen H replied, November 2019. Sean Lewis called to inform us and said he was going to send us information about the application, but it never came. She sent him an email on November 12th letting him know she did not receive anything and also followed up with a voice message, but Sean never called back nor sent any documentation.

Larry asked if Marla was going to attend the hearing. Marla replied, she can go but the Board needs to decide what they want her to say. The road is part of the issue, but the water is a significant part of it too. Hally stated, she can't imagine how much water this will take. Marla replied, our water attorney calculated the water use. He estimates the Layton Tree Farm uses over 7.5 acre-feet based upon the State standards. Layton pays \$72 annually for the use of our water right. He has never applied to the Service Area to drill a well under our diversion point. He has his own water, but it is not a water right. He is entitled to one residential equivalent plus three livestock equivalents which is less than one-acre-foot. Based upon this diagram, we estimate he uses over 7-acre-feet each year. He doesn't have a water right but a water share according to the State Division of Water Engineer's office. There is a home on the property. He can have a house and three head of cattle or horses. Suzanne replied, she thought he had 7-acre-feet. Marla replied, she can't find evidence of that anywhere. Suzanne stated, hopefully he didn't sell it. Marla stated, our attorney Nathan is of the opinion that because he does pay his fees to the Service Area and there is a residence on the property that he is entitled to one-acre-foot under the Service Area's authority. She and Nathan spoke with the County Planner Sean Lewis at length on Friday. In our report, we express our water concerns.

Suzanne stated, in the County Staff Report, how are they enforcing the report? Larry replied, the County wouldn't enforce it, the State Engineer needs to enforce that. Marla replied, their report states, *Staff recommends the Applicant install a water meter which the Service Area requires on all water sources on the property. All operations shall not exceed the water allocated on the Applicant's recognized water rights.* Suzanne asked, what kind of enforcement do we have if he goes over his one-acre-feet? Marla replied, we can shut off his meter if he exceeds our water and we can also report to the State we are withdrawing his right to use our water. There is a condition stating he has 180 days to get a meter on his well.

Bob stated, the County was aware of what is going on on that property six or seven years ago. We had the County Planning department come out and make sure he was in compliance. Nothing ever happened so he is pleased that he has submitted a CUP application now even though it is six or seven years late and bring as much as we can to light. He plans to attend the hearing. If this Board wants to do more than our General Manager is doing, which is great, they can actually authorize a member of the Board to submit an opinion. Vince is right. The County will ask you if you are speaking for the Board or speaking as a resident. Unless the Board authorizes someone to speak for the Board, you should always speak as a resident. Hally asked, what do you recommend we do? Bob replied, rely upon the report prepared by our General Manager. We don't really need to do any more unless the Board decides tonight that we need to do more. Larry replied, he would like Marla to attend the meeting and clearly state the Board's position and our concerns, so it is read into the public record. He wants the Commissioners to hear some of this stuff. He wants Marla to attend and express our concerns. Mr Layton is a good guy; he's not a bad neighbor but he is running trucks frequently up and down Cottonwood Trail which is a safety issue. Suzanne agreed. She stated Cottonwood Tr is a trailhead to Lewis Park. It is a multi-use road that wants to add commercial truck traffic. It is a safety concern. Hally added, the intersection of Cottonwood Tr and Westwood Rd is awful. Vince stated, we all know there is a safety issue, but we have to put on paper what our responsibilities are. None of our roads are designed to carry those loads.

Hally asked, how do we respond? Larry stated, you take the CUP application to the hearing and respond to each point methodically and let the Planning Commission know what is actually going on. Hally asked, what is the punch list of things we want to say to highlight our concerns? Vince replied, only a representative of the Service Area, such as Marla, can respond to two areas: water and roads. Suzanne agreed. The residents who live on the road can speak on any issue they choose. Hally stated, he is requesting something that would be a dramatic shift from his performance over the last six years in terms of traffic. Is this something any neighbor could reply to? Vince stated, yes. Unless we have a study of some kind, our comments are anecdotal.

Larry asked, do we have any traffic studies on Cottonwood Tr? Chris replied, not in that neighborhood. Ric Angell has a traffic study for his property. His wife told me he is attending the hearing. Suzanne replied, one of the statements of fact is the roads in this area are "public and open to any vehicle". That is not a true statement. We have a posted weight limit at the entrance to the community. Marla replied, the problem with that sign is that it doesn't specifically state a weight limit. We will have to place a sign on each of our roads stating the weight limits. Suzanne replied, that is probably a good idea. Hally agreed. Vince replied, let's be reasonably here. Do you want to place weight limits on every single road or just the main artery? Marla replied, the main artery. Suzanne agreed.

Vince observed, the other main issue here is enforcement. We can put the sign up, but it has no bite. Larry agreed. Vince stated, we need enforcement and that is the Service Area's handcuff. Suzanne noted, by putting up the signs, it allows residents to call the Sheriff to report trucks over the weight of the publicly posted weight limits. Hally asked, is law enforcement obligated to support Service Area restrictions like that? Vince replied, yes, absolutely. They are obligated to enforce the Utah Vehicle Code along with the Penal Code. Hally replied, we can only do our best. She noted, she is a small business owner like Larry

Layton. You respond to things that threaten the viability of your business. This is going to be difficult for him. At some point, he will wonder if this location is the best place to operate his business. The Service Area can only exert our authority as much as we can to keep our community safe.

Vince stated, we all know about the speed issues in Silver Creek. As much as everyone complains to the Sheriff's Department, it is about priorities. They will come out here maybe once or twice each quarter. Two senior officers in the Sheriff's Department live in the area. As a former law enforcement officer, if someone calls to report a potentially overweight truck, they will put that on their assignment board, but it will be four to five hours before they can get here. Hally replied, she would rather the Sheriff's office focus on serious criminal reports as well. We need appropriate constraints and responses to those who abuse the privileges of property ownership within Silver Creek.

Vince stated our two potential responses are water and that our roads are incapable of handling the volume and size of vehicles. That in itself is pretty big from the County's perspective. Marla replied, it took some discussion with Sean Lewis to get him to understand the significance of those trucks going up and down the road and the safety hazard. She emphasized to him that this is a huge safety hazard. If we were ever to have a fire and one of his trucks were obstructing any emergency service vehicle then it is a crisis. Hally replied, we are trapped up there. Vince noted, just the wear and tear, right? Marla replied, that is secondary to the emergency response capability which Sean was more responsive to and got him thinking about limiting the size of the vehicles that go up and down that road. Truck weight is secondary. The size of a truck has a certain weight. In order to limit the size, it made more sense to limit the weight. By limiting the weight, it effects and improves our ability to maintain Cottonwood Tr. We explained to Sean the cost to maintain this section of road, costs more per square foot to maintain than comparable roads elsewhere in the Service Area.

Vince responded, should we be considering impact fees? Larry replied, yes. This is a commercial application of water. We have not received a commercial application for water. Marla replied, she and Nathan discussed this at length. He pointed out there is a residence on the property. If he had no residence and he wanted to have a commercial activity, then he would have a different application. Larry replied, maybe we need to get Nathan involved. Layton is really changing the use of that property from residential to commercial. Suzanne replied, from agricultural to commercial. Right now, based upon the County Staff Report, they have been considering this purely agricultural. Larry replied, he doesn't have a permit to do what he is doing. This is residential property because there is a home there. The logic would be that he is converting the use of that property from residential to commercial. Just because there is a home on there shouldn't change that. Eileen H replied, having a home on the property changes everything. Marla replied, Nathan said the same thing when they reviewed the situation. He observed, the Service Area has several other homeowners who operate businesses based at their homes such as grounds maintenance. Because it is primarily a residence, it is allowed.

Suzanne stated, it sounds like we need to do some water policy updates. Vince and Larry agreed. Larry stated, it is no longer agriculture; it is now commercial. Hally pointed out, having your business trucks parked on your property doesn't use much water, but she agreed, the water policy should address a commercial presence on any property. Vince replied, we believe policy should be dictating decision making. Suzanne agreed. Vince continued, whatever we do in this situation we must apply to every other property owner. To be fair and have good government, policies make the decisions. Hally agreed. Could the water policy be updated before the meeting? Vince replied, it takes longer.

Chris replied, our recommendation is to restrict the truck weight to 26k pounds. This would not permit him to exceed a 40-foot limit which would eliminate semi-trucks, dump trucks, and trucks with a trailer. Vince replied, he comes down Redden Rd to Wasatch Way where he has observed him on multiple occasions and times of day with oversized vehicles. Dinah asked, what about horse trailer? Chris replied,

that is considered personal use. There are horse trailers in the neighborhood who exceed the 40-foot limit.

Scott noted, there is another commercial operation on Cottonwood Tr, Tally Ho. Chris replied, they have a CUP, but it needs to be reviewed and enforced. Scott pointed out, they have traffic with their clients bringing horses in and out. They also have had difficulty safely completing the turn onto Cottonwood Tr. Our response should note the damage caused by Tally Ho. Suzanne replied, Rick Angell will make that point at the hearing. Marla replied, she discussed the point with Sean Lewis, that the Service Area does have issues with extended horse trailers clipping the corner and crushing the culvert.

Chris stated, Layton Trees states in his CUP application that he plans to bring in two 18-wheelers and one pick-up truck two times each week hauling trees out on a 20-foot trailer plus parking one car two days each week as well as his vehicle four days each week with one helper. Ask the Planning Commission how they are going to enforce that because we have many residents who will let them know his dump truck is going up and down Cottonwood Tr three to five time each day in addition to his other trucks and trailers. Marla will speak to the water issues where he is using 7-acre-feet of water invalidates his contention that he doesn't even use one-acre-foot of water. Hally agreed.

Suzanne summarized, we have given our recommendations to Marla. **We are asking Marla to represent the Board at the CUP Hearing with the recommendations summarized in the staff report. She will reemphasize the same points already discussed with the Planner, Sean Lewis. She appreciates that Marla will attend to reinforce our conditions and be there to answer questions. We are not asking that she do anything different.** The Board encourages residents to attend the CUP Hearing in order to share their own observations. The next step is, if he receives the CUP then there will be conditions of approval for Layton Trees to comply with that we would proceed to enforce.

Bob stated, he doesn't fertilize now but it doesn't mean he won't in the future. Ms Burgess agreed, stating he has planted some trees, but he doesn't appear to be counting them in his application. Vince stated, the assumption is, if he is growing trees commercially, he is going to use fertilizer and pesticides. He asked, with the new Health Department regulations for ground water protection, with multiple wells in that area, does the Layton property fall in the Zone 1? Marla replied, no. It only applies to any *connection* that has 15 users. Larry agreed stating, it has got to be a municipal water system.

Chris stated, we can go to the State Engineer to ask for a review. **Each individual well should be filing their own source protection. We can take that step because he is, for all practical purposes, using our water right and our diversion point. Vince requested, this recommendation is added to the approved conditions for Marla to submit to the Planning Commission. Chris added, clearly installing a water meter is an important condition as well. Vince agreed.** Chris continued, given what he knows Layton Tree Farms he must be using fertilizers and pesticides. Vince agreed. Chris stated, we could also argue that this not a wholesale operation or an experimental research farm as stated by Sean Lewis. That is not occurring on this farm. **Vince recommended Staff add conditions for groundwater and source protection.**

Suzanne asked if the Board has any other recommendations or amendment. Larry replied, the Staff did a great job on this. Larry and Suzanne directed Marla to represent the Board at the CUP Hearing. Bob interjected, the Board must vote to send Marla to the CUP Hearing.

Larry motioned to authorize Marla to represent SCSA#3 Board of Trustees, as outlined in our discussion, at the CUP Planning Commission Hearing to be held on January 14, 2020 which was seconded by Vince. Support was unanimous.

Vince noted, as a reminder, be advised that every meeting is recorded and made public so your comments should be carefully considered and restrained. When we refer to an account, we will either refer to it as a lot number or an account number, so we protect our resident's privacy to a certain extent. Everything we do is entered into the public record such as your emails, phone discussions and texts. Marla has set up your SCSA#3 email accounts which must be used for all Service Area communication and business. Larry

added, do not use your personal email accounts. Vince agreed stating, if you use your personal email account and a legal issue arises, they could subpoena your personal account. Larry added, if you text a board member and they text back, delete the text. Suzanne added, keep your text communication private. Vince stated, Marla will go over this in training.

7. Other Business – review and approval: Marla stated, at our last board meeting she was instructed that she and Chris should prepare an RFP for the Summit Dr cul-de-sac. We have done so and issued the RFP. We have had a couple of responses. We met with one contractor who has been working in the neighborhood and has demonstrated his capability to perform the work. He prepared a formal proposal for us. The necessary equipment is already on-site at his local project. This will likely save us the considerable cost associated with mobilizing the equipment. Chris added, he has an excavator with a jackhammer. He also has a D-9 tractor on site. Larry asked, is this work that can be performed in the winter? Chris and Marla replied, yes. Chris stated, we can't build the road, but we can contour the road. Larry asked, can you send this out in an email for an email vote? Suzanne replied, that is not necessary. **The presentation is at our next meeting on January 27, 2020.** Marla reported, she has spoken with one other contractor. What makes the first contractor more appealing is that the first contractor, who we met, can't move his equipment because of the snow on the road. From his point of view, our project is easy for him to do. The big issue is that there is a ridge of rock on our site. He has worked with that rock at his current project site nearby as he has excavated a driveway and the site of a secondary residential unit. He understands the composition of the rock and its fractures. Larry replied, he doesn't need all of the details. Suzanne suggested Board members might want to snowshoe to that location and see all the mobilized equipment.

Marla added, we did get a quote from one of our Engineers who looked at the condition of Silver Creek Rd. Chris and Marla feel, because of their experience with Engineers and their estimates of repairs, we recommend Staff also do an RFP for Silver Creek Rd. **Lastly, we intend to reissue the RFP for snow removal for a three-year contract. Larry requested, let's build in renewal options so if we are happy with the contractor, we can keep them. He suggested a three-year initial contract with two one-year renewals. If the contractor is not performing, there should be escape clauses.** He prefers to keep the same contractor if possible.

Marla replied, the last item we are preparing is an RFP for an Engineer to help us with those road projects that we have identified for the bond.

Vince stated, because we are spending taxpayer dollars, by statute we are required to issue bids. We choose our contractors based upon lowest qualified bids on a point system. Depending upon the dollar value and the project scope various procedures come into play which keeps things fair.

8. Adjournment: Hally motioned to end open public meeting and adjourn which was seconded by Scott. Support was unanimous.