

Summit County Service Area #3
January 27, 2020
APPROVED MEETING MINUTES
BOARD OF TRUSTEES MEETING
629 E. Parkway Drive, Suite 1,
Park City UT 84098

BOARD OF TRUSTEES

Suzanne Carpenter, *Chair* Scott Sharp, *Clerk* Vince Pao-Borjigin
Hally Hanssen, *Vice Chair* Larry Finch, *Treasurer* Dinah Clissold

BOARD OF TRUSTEES-ELECT

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

In Attendance (Board): Suzanne Carpenter, Chair; Hally Hanssen, Vice Chair; Scott Sharp, Clerk; Larry Finch, Treasurer; Dinah Clissold arrived at 5:41pm.

Electronic Attendance: none

Not in Attendance: Vince Pao-Borjigin,

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

In Attendance (Public): Bob Olson (Lot SL-C-153); Val Stephens (Lot SL-A-40); Ken Fisher (Lot SL-A-69.)

1. Welcome and call meeting to order at 5:30pm

- a. Review of December 16, 2019 and January 13, 2020 meeting minutes: Suzanne expressed concern regarding the order of the minutes. She has noticed that the order doesn't match her recollection particularly regarding the Board member training. Eileen explained, the printed minutes follow the approved agenda. It is very common for board meeting discussions to occur out of agenda order and for board members to circle back to earlier agenda items. To ensure easy recovery of all the discussion, Eileen collects common agenda discussions in the matching place on the agenda. Eileen directed Suzanne's attention to page 6, item 3: "*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.*" Suzanne appeared satisfied.
- b. Approval of minutes: Larry motioned to approve pending meeting minutes as noted for December 16, 2019 and January 13, 2020 which was seconded by Holly. Approval was unanimous.

2. Public Comment: Val Stephens, a resident of Oakridge Rd South, reported poor trash collection service and communication from Republic Services. Republic staff offer mixed messages: "sorry, your roads are messed up. We won't be up there for one to seven days." And "we will get up there when we can". Another time, he called them to let them know his road was in good shape and asked them why they haven't picked up his waste yet? They responded, "Oakridge Rd isn't that bad; we will send somebody right up" and they did. Last week, there were numerous days when pick up was possible, but Republic did not come by.

Val feels he is being misled in his communication with Clint from Republic. Clint told him, when the Service Area voted to correct the situation with a different way of picking up trash, the Service Area was uncooperative. He found out today, from Marla, that the real reason is that it is infrastructurally unfeasible. Is that correct? Marla replied, yes. Republic Services had selected four sites to place dumpsters which are unsuitable for various reasons. Suzanne added, they would create a safety issue for our residents. Val replied, Republic doesn't seem to understand or accept your reasons at all. Suzanne replied, she has called Republic twice and sent them emails reminding them of our October 2019 meeting results.

Val stated, he has two concerns which he asked Republic. How long should residents leave out their cans? When do we need to bring in the cans to make it easier for the snowplows? Republic has not responded. It appears there are no protocols in place. Val stated, if we are not receiving a service for weeks, our service charges should be pro-rated. Republic is seriously mismanaging their service to us and would rather not serve this neighborhood at all. They have demonstrated a lack of cooperation. He said Clint told him Republic has considered not serving this neighborhood at all.

Larry replied, Republic is contractually obligated to serve this area. In prior years, the prior vendor and Republic did not have a problem servicing this neighborhood on most collection days. They used to serve us with a small four-wheel drive truck. They still have that truck, but they have assigned it to Summit Park now and will not send it here. Republic also told us they have changed equipment. Bob added, it is heavier and larger. Larry stated, even if they chain up, they consider it a safety issue which isn't our problem. They proposed some of our residents should drag cans uphill so their trucks would not risk sliding due to stopping mid-hill such as on Summit Dr and Sagebrush Pl. Their proposed dumpsters create a safety hazard for our residents. We want them to fulfill their contractual obligations or come back with a more reasonable plan.

Larry continued, we host the Red Hawk dumpsters in our Civic Center as a courtesy. It creates a mess for us. They should build a facility over there to clean those dumpsters out. We host the dumpsters for Red Hawk at no charge. He believes this demonstrates the Service Area's willingness to cooperate.

Val requested the Service Area Board convey his concerns to Republic and the County: create protocols that work and prorate their charges. Suzanne replied, she appreciates Val's feedback and she agrees with him.

Bob Olson stated, he completely endorses the opinions of Val and Larry. Republic has not picked up our waste on Cottonwood Tr when the road has been completely dry. We have never had this problem with our previous contractor. Republic signed an agreement, and they should figure out how to meet their commitment. They left a message on my phone that made them sound ignorant when they said, "we won't be able to pick up your recycling on Wednesday; we will do it on Tuesday." They never pick our recycling on Wednesdays; it is always on Tuesdays. Bob agreed with Val; the County ought to put pressure on them to meet the terms of their contract. He added, Marla's departure is imminent and although he did not initially support hiring a general manager, he has come to appreciate the added value. We also have Angie who takes care of our checks. Marla stated Angie plans to stay on.

Bob requested, the Board asked Marla to create an unfinished projects list for the Board to consider. He would like to review it and amend it if necessary. He truly appreciates what Marla has accomplished. Nathan stated, we do have an extensive list with many items accomplished.

Ken Fisher reported his dissatisfaction with Republic Service stating it is the worse service he has had in 20 years as a resident. He called Republic who told him the Service Area is resistant to establishing dumpsters. Suzanne and Larry replied that is true. Ken replied, he has a lot of garbage and he would like a place to bring it if they can't provide that service. Ideally, Republic should pick up the garbage but since they are not, or cannot, a civic center dumpster is a good interim solution. His neighbors have had their garbage cans out for almost two weeks with their lids open. The Civic Center hosts Red Hawk dumpsters so it seems reasonable we could have that same type of service. It isn't the best location. Maybe we have another option, such as the Well House? Chris replied, it is not permitted at the Well House.

Suzanne replied, we agree, and we are working to resolve this. We will not trade our resident's safety by driving garbage to dumpsters on snowy roads because Republic does not have the right equipment to provide the service, they have been providing for 20 years. We told them, dumpsters are not the right approach. The right solution is providing the service with the right equipment. The very first week we had snow, Republic chose not to pick up. She contacted Krachel Murdock, Public Information Officer (PIO) for Summit County, and discovered Krachel is making the determination to provide service. not Republic. Chris disagreed. Krachel is simply posting the information she has been given by Republic.

Ken stated, he has asked Republic if they ever cancel service in advance due to an imminent storm? He doesn't want to drag his garbage cans out only to find out they won't be serviced. Republic told him they never cancel in advance. Most two-wheel drive vehicles make it up our roads once treated; why can't Republic? Suzanne agreed.

Suzanne stated, we might have to start looking for a different contractor. Ken pointed out, garbage pickup was previously included in our taxes but now we pay an extra annual fee, yet service has gone down. Larry replied, a couple of weeks ago, they failed to service Silver Creek Rd when it was completely clear. There is no excuse for that. Their unreasonable failure to provide service is their way of extracting concessions. He has lived here over 25 years and we have never had this problem in the past. They own a four-wheel drive vehicle that provided excellent service. Our roads are open every day by 7am. It may not be pristine but at least a single lane is open. Their dumpster suggestion is not an option because we are forbidden to place them in the right-of-way (ROW). We give Republic free space in the Civic Center for Red Hawk's dumpster. The location is a mess: it is not policed. He does not want to see a line of dumpsters in what is supposed to be our community center. If Republic wants to use the Civic Center location, they should propose a proper facility. Red Hawk doesn't pay us taxes or rent. They give us a modest annual amount for road maintenance. Their dumpster should be removed. Suzanne added, it is a safety issue having everyone converge on a children's bus stop to unload their garbage on snowy days.

Ken asked, is it a matter of putting leverage on the County since they hold the contract? Should we reach out to Tom Fisher, Summit County Manager? Larry replied, yes. You should call him and our representative Kim Carson as well as all the other Councilors on the Summit County Council. Why should Service Area residents bear any extra expense? Republic came to us, but the problem isn't under our jurisdiction to solve. This is a problem of Republic's making. They changed their equipment and now cannot service us according to their signed contract. They should bring us a solution. Do you want to stop along Silver Creek Rd somewhere to throw your trash in a dumpster?

Nathan stated, as we have discussed, in his opinion the Service Area doesn't have the right to permit dumpsters in the ROW. He doubts the ROW is wide enough to install dumpster locations without causing an accident which would transfer their legal liability to us. Suzanne agreed.

Ken replied, he could accept dumpsters in our Civic Center for a couple of months. It is better than having garbage on the side of the road. Larry replied, Republic won't even service Red Hawk in the summer whereas the prior contractor did. Dinah observed, there are not that many residents in Red Hawk whereas Silver Creek has so many residents there would be garbage everywhere. Ken observed, garbage pick-up needs to be done. Should I take it myself to the dump and pay for it? Larry replied, he doesn't know what to say.

Nathan added, we need to be very careful. The purpose of the ROW is for roads and public utilities. You could make an argument that a dumpster is a utility, but the longstanding definition of utilities refers to underground sewer, water and cable that don't interfere with the purpose of the ROW. Staff have been working to remove encroachments from the ROW to increase your resident's safety. Placing more dumpsters in the Civic Center is not a good idea. He is concerned this would create liability for the Service Area. There is not sufficient space, the traffic pattern is already problematic, someone is going to get hurt and we will get sued. What they are asking for is not legally our responsibility. Can we do what they are asking for? Yes. Are we going to get in trouble if we do it? Absolutely. That is Nathan's concern. Feel free to blame this on Nathan.

Nathan recommended, we should review a copy of the Republic Services contract with the County. He believes the Service Area is a third-party beneficiary under that contract. Suzanne reported, she sent an email to Krachel asking her to get involved, reported our mutual concern for our resident's safety and that Republic needs to figure out a solution for all concerned. The Service Area is not the roadblock. Nathan stated, Republic is asking us to solve their problem. They contracted to perform a service and are renegeing on the agreement. We need to see the contract to understand the level of service required. **Larry requested Marla get a copy of the Service Level Agreement from the Summit County Clerk.**

Suzanne observed, the value of recyclables has gone away so picking up recyclables is now an expense. Larry replied, that may be why Republic has increased their fees in the middle of their contract last year where residents now pay \$35 per year in addition to our taxes. Our roads are better than Summit Park's roads, and Republic is managing to successfully pick up their trash.

Nathan asked, why can't we use the correct truck? They say they have it committed elsewhere. They should get another one. Larry agreed. Eileen stated, when we suggested that to Republic at our meeting, they replied they would be happy to get another truck if we would pay for the \$275k cost of the truck. Nathan pointed out, that is not our problem.

Hally asked, should we disseminate a communication to our residents delineating who is responsible for the current lack of service, the actions of the Board to restore service and how residents can participate in affecting change? **Larry replied, this is a task for the General Manager and the Assistant Clerk.**

Nathan suggested, we should review the contract first because it will inform us of our rights and their responsibilities. We should treat this as a contract negotiation. They may remove Service Area roads from their list of responsibilities. Their contract may be up for renewal. We should find out our options. What other companies can perform this work? What would it entail to completely handle our own trash pickup? This knowledge will inform our response. Hally stated, she wants to keep dumpsters out of the Civic Center. It should never be an option because it will become permanent. Larry agreed.

Bob stated his son is a supervisor at Republic in another state. Even when they could sell their recyclables, quite often much of it was going to the dump anyway.

- 3. Interview Candidates review for Carol Spiegel's board position:** Suzanne noted we do not have any applicants at this time. She invited everyone to consider candidates among their neighbors. Marla reported, Rich Parisi said he was interested and would think about it. Can you reach out to him? **We need a lower Silver Creek resident.**

Scott Sharp asked, how much trouble is caused by leaving the seat vacant? Nathan responded, under the law if we don't fill the seat within 90 days, Summit County Council will have the responsibility to appoint someone. But they are going to have the same challenges. The main challenge is if we find ourselves with an evenly divided vote 3-3

although that doesn't happen very often. We have talked in the past about reducing the board member size from seven to five. Suzanne replied, she likes the diversity of a larger board membership who bring a wider perspective to the board but if we can't sustain full membership, it is a good option to reduce the number of seats. Nathan stated, most local districts similar to Service Area #3, have 3-5 members.

4. Administrative & Financial (motion/voting):

- a. General Manager update & transition plan: Marla stated, there is only three things on this list she hasn't done. **She has been asked to create a list of Service Area goals.** The audit is the most critical and it will be complete by February 14th. **Suzanne asked, do you need her to sign an engagement letter? Marla replied, yes.** Our auditors have an extremely limited staff at the moment. We are nearly complete. We are waiting for data from Summit County but are working at a rapid pace.

The Payroll Transparency Report is critical and must be completed soon. The due date is March 31st, but she will finish it next week. The State Concurrency Report has been filed. **The County Concurrency Report is due at the end of March but because it shares information from the State report it will be easy to do.**

Marla affirmed, our bookkeeper Angie Shields will continue to work for the Service Area. Scott asked about bank reconciliations. Marla replied, she has been doing them. She reported she had view access and because of the change in the signatures, that has been discontinued. **She needs someone to go in and print stuff off for her.** She can see when the County deposits money into our accounts. **Marla suggested oversight by an independent Board member.** The treasurer shouldn't be doing it because the treasurer can transfer money and can sign checks. Larry stated, technically it is the Clerk. Marla replied, it is not too bad. In the past, she has always done half-month reconciliations on the water. The water report is the most difficult because we use Xpress Bill Pay. The deposits don't always come across clearly between the Zion's Bank account and how they deposit it between the credit cards and echecks. It always balances but she does a one-for-one lookup. It is difficult assembling the disparate payments and applying it to the right account. The Water Fund is the one for which we write the most checks. It just takes a couple of hours. Larry asked, can Angie do that? Marla replied, no. Angie cuts the checks. It really should be Scott, but she is willing to come and help until you get a new general manager.

Larry asked, have we posted the general manager position yet? Marla replied, it is posted on Indeed and Worker's Unemployment. We have ads coming in the Park Record. Larry asked, is it posted with the Association of Special Districts? **Marla replied, no but she will do so tomorrow.** The problem with Indeed is some job seekers set up an automatic application so if certain key words are identified then their application is automatically submitted. She has been working with Indeed on this and other changes to filter out poor matches. Marla has reviewed most of the Indeed submittals and there appears to be just one qualified applicant. You have the option to accept or decline matches one at a time.

Larry asked, is there anyone at Mountain Regional we could poach? Suzanne asked, or the County? Marla replied, there was interest from someone at County, but the compensation is insufficient. Hally asked, what are the minimum qualifications or ideal candidate? Marla replied, a well-rounded manager, somebody who understands business, budgeting, deadlines and reporting. A financial background is really important. So much of this job requires an appreciation of property protocol especially with the regulatory budgeting requirements such as timely filing. Chris understands the roads. We have distributed an RFP for a Road Engineer. We have HAL for the water. Hally asked, will the pension follow from one government entity to another? Marla replied, vesting rules govern these issues. Nathan replied, the Service Area doesn't currently offer a pension. Scott asked Marla, what attracted her to this position originally? Marla replied, she needed the challenge at the time.

Larry asked, how frequently does the concurrency report have to be done? Marla replied, annually. We are no longer required to produce the concurrency report semi-annually which was the penalty phase. **It is due this spring and the review is done in June.** Larry confirmed, then we won't have to file again until next year. Marla reported, she and Chris will prepare it together. Chris stated, it's fairly simple. Suzanne stated, we have a lot more data now such as the arsenic filtration.

Marla stated the transition plan is to get a lot of this stuff done so the board is given a breather. This is the time of year where we prepare ourselves to do road work. **We want to get the work ready-to-go so Chris is given the authority to move forward and manage the work.** Getting the financial stuff done is a huge burden that won't need to be carried by the new general manager freeing him or her to learn the job. Scott requested Marla prepare a list of tasks that will need to be addressed early on by Marla's replacement. **Marla replied, she will prepare an overview plan for the new hire.** Scott pointed out, this plan was not available to Marla when she was hired. She has done an amazing job.

Marla stated we only indicated we want progressively responsible experience. Marla works about 40 hours per week. Suzanne stated, due to the foundation that Marla has laid, we may be able to invest in a less experienced person. Marla recommended \$55k. Larry asked, can we use the County health insurance plan? Larry requested Marla review the healthcare options.

Suzanne asked, what do we need to do to consider an interim General Manager?

Suzanne stated, the Board should discuss how we want to manage the Service Area in the interim while we execute the recruiting process.

- b. **Staff reports: (Sammons, RUWA conference):** The resident (Sammons) who damaged the speed bump has reimbursed SCSA#3 with a check. When that clears, the County will drop their charges. **Larry stated, he needs to give Marla the Wells Fargo account. Marla agreed stating, then she can confirm the check has cleared.**

Marla discussed the Water Conference (RUWA) which she will not be attending because she has resigned. She has worked with Curt Ludvigsen on Commercial Water fees as well as financing for our plans. He has some alternatives and wants to work with us on financing our projects. At the Conference there will be couple of classes taught by Michael Grange on state financing. Is there a board member who would like to attend? It is the last week in February. They will host a competition to determine who has the best water, so you have to bring a sample with you in a glass jar.

- c. **SCSA#3 financial and dashboard review:** Marla stated, she made an assumption regarding Class B Road Fund amount for November and December for 2019. We accrued \$17k in that account which is about what was received last year. She ensured all of our 2019 business was entered. Larry confirmed, 2019 is complete. Marla replied, yes. Suzanne pointed out our snow removal and road maintenance have balanced out. Marla stated, our water rights, a capital outlay, are included in water. Excluding the water rights purchase, we would show a very minor loss of \$2k. Larry asked, so we are \$19k less than 2018? He observed, Total Revenue in the Road Fund is \$19k. Marla replied, yes. We spent so much more on snowplowing. Larry replied, no, he is referring to the revenue. Is that because of construction services fees? Marla replied, yes. We didn't have as many home starts last year.

Larry asked, have we gotten all of the Wolff invoices? Marla replied, yes. Larry asked, so we spent more in 2019 than in 2018. Marla replied, we spent more in the prior year. The big reason is the capital outlay. We had more road maintenance and more capital outlay. We only spent \$117 in 2019. We spent \$166k in 2018. In 2018 we spent \$120k in road maintenance and \$69k in 2019. Larry observed, we spent \$40k more in snow removal.

Dinah asked, do we plow the roads every time it snows? Larry replied, no. Dinah asked, how do they decide when to plow? Chris replied, the protocol is to begin plowing when the snow reaches 2". We communicate regularly with Wolff. When they are called out to Red Hawk, they are instructed to inspect the upper area of Tollgate Rd, Aspen Ln and Summit Dr. He may authorize Wolff to plow just those roads if needed. Because our snowplow operator lives in the neighborhood, he drives the upper roads before releasing his crew. We control snowplowing decisions. Larry replied, it costs us about \$5k for a full plow of the Service Area.

Scott asked, is there a line item for overages? Larry replied, we have the adjusted budget. Look at 2020 over on the right, that reflects Current Year-to-Date, then Adjusted Budget Amount then the Amount of Budget Remaining. This will allow you to gauge where we are at. The big expense last year was the purchase of \$425k of water rights amounting to 22 shares. We reserved that money over time because we had to depreciate the water system about \$60-70k each year as a capital asset. This money was set aside for repairs. Larry asked, how much is that? Marla replied, we have about \$78k. The figure shown here isn't current because she is waiting for Wells Fargo. Suzanne asked, is the dashboard current? Marla replied, it is current as of December 31, 2019. There has been activity since then. The PTIF funds are current. Larry asked Marla if she wants viewer access back. Marla replied, yes. Larry stated, he didn't realize it was shut-off.

Larry asked Marla, is there anything he should be aware of? He noted the Operating Income seems to exceed the budget for water. It looks like our income was \$36k more than we budgeted. Marla replied, that is due to overages. When we budget, we do not plan for overages. Larry replied, Year-to-date we took in \$20k more than in 2018. Are we using that much more water? Marla replied, we had two massive overages. Larry noted, it seems we lost \$438k. Marla pointed out, if you exclude \$425k used for water rights, it actually represents a loss of \$2k. Larry replied, \$438k minus \$425k equals \$13k. Marla stated, that's if you just look at operations. When you factor in interest income, the total loss is about \$2k. We won't have that kind of interest income in 2020 because we won't have the large savings anymore.

Scott pointed out, it doesn't matter that our water rights increase in value every year because we can't sell them. Larry asked, do we depreciate water rights? Is it like land? Nathan replied, water rights are a real property interest. Larry asked, is it just an asset on the books? Nathan replied, yes. Marla replied, they have worked directly with Pelorus to make those year-end entries. Larry stated, he would like to see how they balanced them. Nathan replied, the \$425k spent on water rights are a real property interest because they are what we own. Water shares, however, like what we have with Davis and Weber and Wanship Irrigation Company, are not treated the same. Larry noted, they are an operating expense because we pay for them. Nathan replied, water share ownership interest it is different and complicated. There was a time when it was asked if a water share ownership interest is a real property interest. Were you entitled to a portion of that company's underlying right? The courts and legislatures have attempted to clarify this over the years. Right now, they are an interest in something, but not quite a real property interest so you must remember they are treated differently under the law. Suzanne noted, it's like owning stock in a company versus owning the company.

Marla stated, she will reach out to the auditors. **They are coming up on their 5th year when we will need to go out for RFP for accounting services next year.** Larson and Company have a really good representation and are good fit for us. Larry pointed out, they really take their time with us.

Larry asked, we have \$44k in past due accounts? Marla replied, yes. It has a lot to do with the annual billing. Some pay right away, and some pay later. That number will be reduced during the year. We will begin work to create liens for those with unpaid standby fees. **We can't shut-off their water so we will place liens on their property.** Marla stated, several are on payment plans but two have significant overages. Larry noted, we really only have \$8.3k in aging accounts. Marla agreed. Suzanne stated, that is pretty good from where we started. Two years ago, we had over \$90k in past due. Larry added, \$156k. Larry stated good job. Four accounts represent the lion's share of our past due receivables at \$28k.

Hally asked, what is our collection process? Marla replied, every month we look at each past due account. We send a letter to accounts three months or older on the culinary service stating they are past due and need to bring their account current and if they don't comply within 30 days, we advise them their water will be shut-off. At 30 days, we place an orange water shut-off warning tag at their home stating they should call the Service Area because their water will be shut-off on such-and-such date. At that point, most people will pay their bill.

Marla continued, we have customers on wells who are past due; several are 3-4 years past due. **Those accounts require a lien on their property.** To get a lien, we provided the exact legal description of their property, their name, address and plat number as well the amount to be liened. We recover our money when their taxes are paid in the fall. We get paid first before the County gets their tax money. Hally asked, who are the majority of past due accounts? Wells? Marla replied, the majority of past due accounts with the largest balances are connected water users who had a water leak. **Marla stated, she will break out the different types of customers because they are treated differently in collection.** Larry stated standby fees are \$80-150 per year. Marla stated, lots adjacent to the culinary system are charged \$276 each year.

Hally asked, some of these leaks cost people thousands of dollars? Larry replied, tens of thousands. We have a new program, EyeOnWater. Staff uses this program to catch egregious leaks. We have a number of second homeowners who don't realize they have a leak. Chris replied, the software reads every 15 minutes and downloads the data every day. Larry stated, we spent about \$90k replacing existing meters with updated meters. Marla added, also the meters were relocated from inside the home to outside. All but 10 of connected water users have a meter. Larry added, we want to get wells on meters too. Marla added, 169 meters were running okay, 22 indicate a malfunction of some kind, 33 showed no water detected and one indicates a leak. The software gives me a map. They receive emails from EyeOnWater if they have a leak.

Larry requested, EyeOnWater be placed on the agenda for February. Hally asked, have we effectively communicated the availability and advantages of EyeOnWater? Larry replied, no. Hally continued, everyone should want to sign up for this because it can save them money. Marla stated, when people sell their home, we send a form to the title company requesting email addresses so that we can enroll them. We send out reminders with their invoice, discuss it in the newsletter and post it on Nextdoor. **Suzanne suggested we include this in our next open house.**

Larry stated, our average water user consumes about 8.5k gallons of water each month. It can be higher in the summer due to irrigation. Hally observed, many of our residents don't have the discretionary income to absorb the cost of a water leak. Chris noted, one or two customers have been notified of a water leak while they were out of the country. One advised us to shut-off their water which we did. In another case, their landscaper turned it back on without fixing the problem.

Suzanne asked, how many articles have you done regarding EyeOnWater? Eileen replied, we have advertised EyeOnWater in two newsletters. Eileen presented the printer's proof on the January 2020 newsletter which contains an article about what to do if you suspect you have leak and step-by-step guide to locate a leak. We also have an article on plowing across the ROW. **Hally stated, it is in our community's best interest to make a bigger deal out of the potential for a leak.** It could cost you thousands of dollars! We should find a way to bring attention to this issue. Suzanne agreed.

- d. Invoice review: Marla presented the invoices for the quarter and the statutory reporting. Everything is reviewed and approved by the Clerk and two signatures provided by other board members. The Tim Biehl invoice is for the evaluation of Silver Creek Rd. Another invoice is due from Biehl for the RFP.

Larry asked, we spent \$29k so far this year on plowing? Marla replied, yes, in January. Larry pointed out we have had a lot of snow. The guys have been doing a good job. Scott asked, what is the backhoe charge for? Chris replied, it is to load the sand onto the sander trucks. Larry noted, there is a \$16k start-up fee at the beginning of the year. Larry stated thank god he has the grader in the neighborhood because it allows them to push the snowbanks back. Scott agreed. Marla brought attention to the Wolff work orders completed by his team which provide the details for the work performed. Those are reviewed by Chris for accuracy.

Marla continued, we have an annual payment to the Department of Treasury for the bond. Our current balance is \$184k. Larry stated, right now we have no bonding in the road fund but when we created the Westwood loop for the water system, we got \$500k and we only had to pay back \$250k. This bond expires in 2032. Marla stated, yes, something like that. Larry stated, it was a 1.25% bond. We also have loan covenants. We have to keep a reserve amount. Marla stated the two funds that we have that pertain to this. We have to put money aside during the year to make the payments. We have to set aside money every month to ensure we have sufficient money in the event of two bad years. We have another fund for repairs or capital improvements.

Larry stated, we have \$200k reserved in a water fund rainy day fund. We put \$60-70 each year into that fund. That is how we saved the money to purchase the water shares. We were going to use it for fire flow, but the bids profoundly exceeded the estimate. Therefore, we were able to cure our water share deficit of about 22 water shares. We are down about \$200k in our rainy-day fund. If the Echo Well goes down, we have money available. We have about \$120k in our road fund in the event something needs repair. That is lower than Larry is comfortable with. We are trying to plan our capital expense for the summer, and we don't have any money. Suzanne stated, that is why we are considering a road bond. Larry added, with the Class B road funds. Marla reported, John let her know it comes out as capital in this year's budget. He said, then we make a journal entry where it will be treated similarly to land. Suzanne stated, we have to distinguish between water shares and water rights. Nathan stated a water right is real property whereas a water share is an interest in real property.

Marla stated, our Smith Hartvigson legal fees included, and they are never presented in public. They are sent to the board via email because their rates are confidential. Nathan responded, his rates are not confidential, but the specific work is.

Larry motioned to approve the invoices as presented which was seconded by Scott. Approval was unanimous.

- e. Approval of audit engagement letter: Marla stated, this is a boilerplate letter stating that we are going to cooperate with the auditor and provide the information as requested and they are going to provide their best professional effort to determine the accuracy of our financials. The cost is \$9.5k which is the same as last year. Suzanne stated she thought they did a nice job last year. You can email them your questions and they will come to a meeting prepared to answer. Larry stated they are really patient.

Larry motioned to approve the audit engagement letter for Lawson CPA which was seconded by Scott. Approval was unanimous.

5. Road (motion/voting):

- a. Summit Cul-de-sac RFP results: Marla reported, we received four submittals. They are ranked by price but not everything is equal. Redoubt is the company that currently has heavy equipment in the area due to excavating Lot 192 which saves us equipment mobilization fees. Chris stated, this is a new contractor. He has provided us with a lot of detailed information which was different than the others. The other responders are very similar. They are going to cut-and-fill and jack hammer the hillside and rough in a road. Redoubt manipulated the map a little bit and proposed an easier access easement. He is proposing \$8k of excavation then apply \$23k in granular road base which is included in his bid. Suzanne stated, she agrees with Chris. The road follows a natural grade and is very different than the others which rely upon jackhammering. Marla replied, there is going to be some jackhammering regardless just because of the location of the platted road.

Scott stated he needs more information. Chris replied the purpose is to give us access to a turnaround for emergency services. Marla stated, we met with Mike Owens of the Park City Fire District who performed a fire assessment for the entire Service Area. We were the first in the County to do that. The area under discussion is adjacent to Lewis Park. Lot 191 believes that the road is on his lot because he is looking at an incomplete parcel map and not the plat. Nathan asked, what part has been paved? They referred to an aerial image to identify Lot 191's driveway and the portion they paved. Larry asked do we need to have the conservation crew come in Larry asked, have we had it surveyed? Marla replied, Gregg Ferrari, Surveyor, reviewed the area although we should have sent him out two weeks ago. He had a hard time locating the pin at the top of Lot 192. He could only find one pin. He needs to find another one in order to perform a measurement to identify the ROW. He is concerned he will be 10 feet off. The homeowner of Lot 191 strongly believes where he paved is actually his property.

Larry asked, are we going to attempt this in the winter? Marla replied, yes. All of these contractors are very eager to do this now. Hally asked, will their price change if we do this when there is more competition? Marla replied, they are hungry. Chris stated, the currently low bidder has his equipment on site right now on Lot 191. Marla added, the homeowner provided the survey to the Service Area as part of their application.

Suzanne wondered if we should have a gate, so people don't turn it into a parking area? Marla replied, we are concerned about our snow removal equipment. We want to give them the ability to make an easy turn which will make their job faster and safer. It would also alleviate issues with trash pickup. If we don't make it too smooth, we won't be inviting the cars. The homeowners are worried about a steady stream of traffic going through there.

Larry stated, this is a public road. Marla agreed. Larry pointed out, it leads to a public park and people will want to park there. Suzanne replied, it is not; it is a deadend. Larry replied, it is still a public road. Suzanne replied, but it is not a trailhead and you can't park there. We can't block someone's ability to get in and out of their home. Larry stated, he is not suggesting that. This is a public road and we can post a no parking sign. Suzanne stated, it is not platted for a cul-de-sac. Larry clarified, we are proposing to install a cul-de-sac which is not platted? Suzanne replied, the cul-de-sac would be in Lewis Park and it is not platted for that. Nathan added, but the Service Area owns Lewis Park. Larry stated, under the consent agreement with the heirs of Lewis Park, Lewis Park is held by the Service Area for the benefit of the residents. Nathan stated, if the Service Area owns Lewis Park for the benefit of the residents, you can make the argument we have the legal right to designate that section of land for a cul-de-sac. Suzanne asked, do we need to do a plat amendment? Nathan replied, you should check with the County. The County owns the roads and they have designated that responsibility to the Service Area. He was under the impression the cul-de-sac was already platted so he wonders if a plat amendment is needed. If we are creating a cul-de-sac, are we going to dedicate it to the County or are we going to own it? Suzanne noted, it is part of the park. Nathan continued, if we are just building a parking lot, we don't need a plat amendment. However, if we are building a cul-de-sac that is part of the road system, then we might need to. Larry asked, what happens to people who park there? We are not encumbering the neighbor's ability to get in and out of his lot.

Referring to the historic imagery, Nathan observed the road used to go straight and it was a public road up to a point as part of the platted ROW. It appears the property owner, in 2011, changed his driveway and paved the rest of Summit Dr. Chris replied, his driveway is paved but our portion is not. It is dirt. Nathan asked, he paved a portion of the platted ROW. Larry replied, correct. Nathan stated, there is clearly an encroachment. Have we discussed this cul-de-sac with the County? Marla replied, no. Nathan continued, we should confer with the County. When we build the cul-de-sac, it will be on land that the Service Area owns. Are we going to dedicate it over to the County as part of the public ROW? Suzanne replied, the purpose of the cul-de-sac is for vehicles to turnaround such as snowplow equipment and garbage trucks. Larry stated, it would be simpler if we put in a parking lot, but we don't advertise it as a parking lot. Chris asked, if you want to limit access, can we gate it? Nathan replied, you don't see that in Salt Lake County. Larry replied, there is precedent for that in some areas. There are city owned parks just for city residents. Nathan replied, that is true. South Jordan owns Mulligans but everyone, including residents, still have to pay to use it.

Larry stated, he supports the fire marshall's recommendation to install a cul-de-sac there. It is a good spot for logistics such as landing a helicopter or staging fire equipment. We don't have any water there. We don't have a good survey so how do we do this? Do we want to commit \$27k of our capital budget to this particular project when we have a lot of things around the neighborhood that need chip sealing? \$30k for chip sealing goes a long way. We can get a lot of road for with that money. What is the urgency for the cul-de-sac? Suzanne replied,

firefighting and fire prevention. If a fire comes, where do we defend from? The top of Cottonwood Tr is not functional for the fire department because it is surrounded by brush. Larry asked, are we overthinking this? Do we just need to clear an area this summer with a small bulldozer and a backhoe? Chris replied, it is much more than that. There is a lot of rock. Marla added, the contractor out there said if it was just plain dirt, he would do it for no charge. It is a lot of work. Larry replied, he is hesitant to endorse this project without a good survey.

Scott stated, we received four bids but not one is comparable to the contractor already on site. Larry asked, did we do an RFP or a bid? Marla replied, an RFP. Larry asked, do we have a point system? Marla replied, yes. Part price and part capability. Larry stated, we need to have the area staked and surveyed. Suzanne stated, even though we have this recommendation from the fire district there are lots of different things we could spend the money on. What is the best way to spend the money?

Hally asked, do we have liability now that we have received the recommendation from the fire district? Nathan replied, you could potentially be liable, but we need to understand the context of the recommendation. Did they come to us with a request for a cul-de-sac here? How did the proposed cul-de-sac come about? Marla replied, the fire department evaluated our entire community, part of which included those areas that abut the wildland, all the areas that are on wells and other areas we are concerned about. After we drove through, the fire representative said it would be virtually impossible to adequately fight a fire in this area because their tanks which are on trailers and their large fire trucks would have to back out because there is no turnaround. Nathan replied, if that's the case, then yes, if you were to have a fire in that area and if they weren't able to get up there with the proper equipment and if people become aware of that from the public record you would have liability. If Nathan were a plaintiff's attorney, he would make that argument.

Dinah stated, we should fix the problem correctly, spend the money and get the the recommended cul-de-sac. We are going to have to build this cul-de-sac at some point anyway. Should we just do it? Suzanne asked, does building the cul-de-sac now help save us in the long run? Hally asked, can we agree that because we don't have a good survey that this project is off the table? Larry stated, the project needs to be done but if we don't have an accurate survey we may have to delay. We can't be 10-feet off. Marla replied, another option is we can contact the surveyor for Lot 192. They did the driveway. Redoubt is the excavation company that did their work. Larry stated, their surveyor will know where the pins are. Suzanne asked, wouldn't it be recorded? Marla replied that part of the County's system has been down for over a week. Chris recommended to table this item because Redoubt's equipment is sitting there without another imminent project. It's possible we have another 30 days to decide. Ultimately, we need the survey. Suzanne agreed. She doesn't want to destroy the driveway. Larry stated, the property owner has encroached on the public ROW. Nathan stated, our plat shows the public ROW extending all the way to Lewis Park and he believes that is accurate. Was it recorded? Marla replied, yes. Suzanne suggested we table this discussion. We are interested in building the cul-de-sac, but we have to define what it becomes. Hally stated, we seem to think we want it to resemble a cul-de-sac but there are other nuances yet to be determined. We need more information.

Nathan pulled up the recorded plat from the County's website noting it is pretty clear the Summit Dr ROW extends all the way to Lewis Park. There are two ways roads can be dedicated to the public: a subdivision plat that you record with the County or the public uses a roadway for a period of 10 years or more as a public thoroughfare then it becomes dedicated to the public. One of the issues here is the road was platted but the roads weren't always built in the platted location or on the center line. That is why we need the survey. We have the right to do whatever we need to do to his pavement. Suzanne observed, we must coordinate with the affected property owners due to concern our work will block their driveways. Nathan agreed and asked Marla what the impacts will be? Marla replied, there is a rock fin that we have to go through which will take a lot of time. Larry stated, it appears the rock fin is outside the ROW. Chris pointed out the vein of rock. Marla stated, while they work, they could use Lot 192's driveway to back out. Suzanne stated, we will have to grade the cul-de-sac to keep it compacted.

Hally asked, how do we reach the decision regarding platting the cul-de-sac? Eileen added, she spoke to the County a few months ago about this and they might waive the charges for this plat amendment. Marla stated, we need to find out if the County feels a plat amendment is necessary. Suzanne stated the County's goal is to have a safe space too for fire protection. Eileen added, are we giving the County the Service Area's private property?

Should they buy it from us? Hally replied, we need to know more about the ups and downs of this proposal.

Suzanne tabled the discussion.

- b. Engineer RFQ: Marla stated, this has been reviewed by Nathan. As we move forward with the road bond this will advise the Service Area on areas of impact. Suzanne stated, she is supportive because this will help us prioritize. Marla replied, some of our roads are not showing the lifespan LTAP indicated. Silver Creek Rd is an example. Going north, the east side of Silver Creek Rd is always falling apart. Chris added, we do have soil issues and issues with how the roads were originally constructed 20 years ago. We have ground water issues that affect a lot of the lower roads. The predicted lifespan of Aspen Ln was supposed to be 6-7 years, but it lasted one year. Marla stated, Gary Horton mentioned our road issues are due to poor drainage. We need a professional engineer to advise us. LTAP was never intended to be a complete analysis of the construction. It was a visual evaluation and the creation of the asset management system.

Larry motioned to approve the RFQ and have our General Manager submit for bids which was seconded by Scott. Support was unanimous.

- c. Silver Creek Road RFP (sewer installation repairs RFP on website): Marla deferred this to a closed session. *Larry motioned to approve the submittal of the RFP which was seconded by Scott. Support was unanimous.*
- d. Snow Removal RFP: Marla stated, we added a three-year renewal clause with two one-year options for renewal. *Larry motioned to approve the General Manager submit the Snow Removal RFP which was seconded by Scott. Support was unanimous*

- e. Other Road business: Marla stated, Chris has scheduled the dust guard and is in the process of scheduling the road grading. We will have the trail work RFP ready for our next board meeting. Suzanne asked, is there anything we need to be doing about the County's decision this week? Marla suggested we should discuss it in closed session. Larry asked, did the County approve the Conditional Use Permit (CUP) for Layton Tree Farms? Marla replied, yes. The County wrote some conditions which are the farm can operate six days per week. His operation is limited to 8am-6pm. There are no restrictions on vehicles he can use. He is required to install a meter and a beacon. Mr Layton indicated he is willing to do so. Suzanne asked, what size meter does he need? Chris replied, he told me he needs a one-inch meter but given the volume of water he needs, the size should be larger. He advised Mr Layton that Chris needs to meet with Zimmerman or Armstrong when they come out to do his well work. He is concerned about Layton's statement that he only gets five gallons per minute. Larry stated, it's possible. Chris replied, when you look closely it doesn't jibe. Nathan stated, he looked at his use and what the State Engineer's would require. He gets one-acre-foot from the Service Area which he can use for his trees. His own rights are for animal stock watering and for a house. Altogether he has maybe two-acre-feet of water at most. The State Engineer looks at the number of acres of trees he is irrigating and multiply that by 3-acre-feet per acre. He estimates the tree farm needs seven-acre-feet of water and he has only two. Larry asked, so when the beacon is activated, we can keep an eye on that? Nathan replied, we are only responsible for managing our water rights. Managing overuse is the State Engineer's responsibility not ours. Larry asked, what is our recourse if he is? Nathan replied, we would report him to the State Engineer in an anonymous enforcement action. Several neighbors have the same concern and may do that. It is pretty clear he doesn't have the water rights to support his farm according to the State Engineer's current policy.

Hally asked, what can we do to address road weight and capacity issues? Chris replied, he was unclear why the Planning Commission didn't approve that part of the CUP because we have road authority. We have the jurisdiction to post our own speed limits and our own regulations. He wondered why the Commission did not follow our recommendations. He asked Nathan, can we continue to set our regulations outside of the CUP? Nathan replied, as a local district you only have the authority that is expressly given to you. We are limited to the purposes for which we were created. The relevant portion of the Summit County code indicates, when it comes to roads, you can improve and maintain local streets including snow removal and to provide for extended police protection and powers as necessary for the establishment and enforcement through the Summit County sheriff for speed limits on local roads. So, speed limits, road maintenance and snow removal. He doesn't think the Service Area has the authority to impose weight restrictions because the language in the County Code regarding "extended police protection and powers" only pertains to speed limits. Suzanne replied, based on what our Engineer says regarding the foundation, the water and the asphalt we have limitations interfering with successful maintenance therefore we need to establish weight limits. Nathan replied, legally the County is the one who must establish the weight limits, not us. Chris asked, who has set our weight limits previously? We have weight limit signs on some of the roads. Nathan replied, probably the County. Most counties do set weight limits for roads. **You need to discuss this with the County.** The way this is supposed to work, you do maintenance, snow removal and set the speed limits but the County is supposed to do everything else. When we find an encroachment that we can't

resolve on a neighborly basis, we refer it to the County. Ideally, we should be able to go to the County and say we are having problems maintaining our roads, can we change the weight limits.

Hally asked, can we respond that we need more money to support the County's direction to allow commercially weighted vehicles to use our roads six days a week as often as they want? There has to be some recourse. Nathan replied, there are a couple of things we could do. We have discussed revising our fee structure for roads. Right now, we charge a flat fee for everybody and that fee is based upon residential home and driveway construction. It does not account for commercial uses. We have discussed a sliding fee schedule. For example, we charge a flat fee for a home up to 5,000 sf and anything over that incurs an additional fee for each additional square foot. This is different. This is not a development. Hally asked, what about commercial? This is a business. It seems reasonable to establish separate standards. Nathan replied, right now we have a road usage fee. Another option is to establish a road impact fee. Impact fee usefulness have been neutered by the State Legislature. We would be required to get an impact fee study and follow a statutory process to set impact fees. Also, you can't use impact fees for road maintenance. The problem is we are concerned about road maintenance. That is why we are working on a road usage fee that we can use to account for these types of impacts.

Marla stated, we are also concerned about large horse trailers. How do we assess their impact on our roads? Hally replied, horse trailer frequency is very different though. She uses her horse trailer once per month. Suzanne pointed out others use their horse trailers daily. Hally continued, it is still very different than the trucks permitted under the CUP. She believes those differences could be accounted for in our fee structure. Marla asked, do we single out Layton Tree Farm when we have other businesses in our community where one company brings in trucks laden with wood and other businesses who do snow removal and landscaping? Suzanne stated, there was another business with big gravel dump trucks. We need a policy on what our roads can and cannot handle. Hally replied, we can't focus on one business and let everyone else off the hook. We need to be consistent.

Nathan replied, you are unique in that you are a local district that is managing roads. You are the only one he knows of. Usually roads are managed by the land use authority, either the county or the city. Those entities have police power. They have more tools to enforce road restrictions with a road policy. If our roads were under the County's jurisdiction, they would be the ones establishing weight limits and have the authority to issue citations. Our ability to enforce is very limited. Usually, it is done during the approval process, but it would be difficult to do it retroactively. We can set the speed limit, but it is up to the police to enforce it. Suzanne noted, as we learn more about our weight limitations then we can work with the County on enforcement. We must first create a framework because the County can't help us if that is not in place. Nathan replied, we can't set the weight limits, but we can ask the County for help to establish appropriate weight limits. We are the eyes and ears that identify ROW encroachments, but they take care of it. We can set a road usage fee and the best way to collect it is on the front end. We can also do an impact fee. Impact fees are for capital improvements to cope with the proposed use.

Dinah asked, what about properties that change hands and become a commercial business? Suzanne replied, Marla has worked hard over the last two years to partner with the County and planning and that we stay aligned. Dinah asked, is a horse business, like Tally Ho, permitted to have as many events as they want? Nathan replied, that is zoning question. Larry stated, they are zoned Rural Residential (RR). Nathan continued, Conditional Uses may be appropriate and permitted if you can satisfy certain conditions. That is what happened with Layton Tree Farm. He was operating a commercial business in a residential zone without going through the appropriate process. Anyone doing business in RR will need a CUP. The legislature changed the CUP process a couple of years ago. It used to be that exceptions to zoning required a CUP. Developers got that changed to "the land use authority shall approve it" unless they can provide an extremely good reason not to. It is now almost impossible to defeat a CUP now. When he does land use planning for his municipal clients, he advises them to eliminate as many of their conditional uses as they can and make the use permitted or unpermitted and that way if the applicants want to change the use they have to apply for a zoning change which is harder to do.

Dinah stated, Tally Ho has over 30 horses and activities going on all day causing dust and noise. Larry advised her to review their CUP and then go through the enforcement process. Nathan stated, that is exactly what you need to do. Hally stated, she has heard that permits were given that went beyond what is being described. Larry replied, it was a backdoor deal done 30 years ago. The County Planning Commission is not very responsive. Nathan agreed stating the code has been drafted to facilitate development as much as possible. There is a big push in the legislature concerning affordable housing.

6. Water (motion/voting):

- a. Commercial Water fees: Marla stated, several documents have been placed on google docs including a commercial water analysis by Curt Ludvigsen. He makes recommendations about increasing our standby fees due to the cost of our water rights. **Larry stated, he would like Curt to come back.** Marla replied, he is willing to do

that. He gave us a breakdown according to how many gallons are used. Suzanne replied, it takes some time to understand this. Larry agreed. Let's put this on the agenda for the next meeting. He likes the idea of the base water fee the same as the residential fee. Maybe that includes 1k gallons and then we have a tiered structure. Something simple. He also likes the ERC Study. Marla replied, Mountain Regional took that approach because they have commercial businesses with buildings larger than ours. Larry replied, we don't know what is going in across the street. Marla replied, they are not under our plan. We don't have water for them. Larry replied, we should have provisions in our policy in case Mountain Regional says no. Mountain Regional is encumbered by a tremendous amount of debt. Marla stated, our policy does not provide for commercial use. They have to bring water to the table just like HJ Silver Creek. She doesn't see that as a potential threat to the Service Area.

- b. Arsenic Treatment RFP (full RFP on website): Suzanne stated, the RFP only reference the Silver Bullet as the tank. She wants to ensure Highfield is included and to make sure the water filtration capacity is sufficient for peak summer. He cites 3-5 gallons per minute. Larry replied, that's not going to work. It should be 300 gallons per minute. **Marla replied, she will follow through on that question.** It may be a typo. Larry asked, does the Greenfield Well currently pump to the Silver Bullet then we pump from Highfield to the Silver Bullet? Chris replied, no. The Greenfield Well pumps into the water line and then to the booster station which then goes to Highfield. The east side lower section doesn't get a lot of arsenic until it comes back down from Highfield. The District Well goes straight to the Silver Bullet then to Highfield. Larry confirmed, we just redid the booster station on Silver Creek Rd ten years ago. Does that have sufficient capacity? Chris replied, he and Ben Minor identified some minor things that we would like to change. It puts 200 gallons per minute up to the tank.

Suzanne stated, it seems ready to go. Larry wondered about getting the building constructed but that might be a separate RFP. Marla replied, it is a separate RFP. Scott asked, do we use HAL to write our RFP's? Larry replied, Hansen, Alan and Luce (HAL) is our water engineer. Marla stated, we work closely with Park City Municipal utilities. Their manager, Clint McAfee, allows us to use his water quality their water quality manager, Michelle DeHaan. She has been invaluable to us in this process. She has connected us to a professor at ASU that can our rapid column testing which tells us the life of proposed media. Larry added, we had an estimate from WesTech who estimated it would last five years but media replacement costs about \$80k which we have to build into our rates.

Marla stated, we don't know what the building is going to cost until we do the RFP. The estimate from HAL is \$150-200k. Suzanne added, we need to know first how big the system is going to be. Marla stated, we had a plat amendment from Greenfield Ranches HOA, and we need to have the property in our name because it is not recorded as such.

Marla stated the cost to repair the Silver Bullet is very expensive. Park City Municipal owns land close to I-80 and we are in discussions with Clint about moving our water tank to that site which would allow us to have a tank with a shorter profile. She told them we were poor, and we would like to lease it for \$1 per year. If we take down the Silver Bullet, we could sell that lot.

- c. Water Relief: Eileen stated this resident's sprinkler valve was damaged. They had EyeOnWater and were out of town when they had a leak. Their EyeOnWater was not set up correctly by the customer. When they returned, they performed the repair in a timely manner. Their EyeOnWater has since been setup correctly. Staff is recommending .75 relief. Scott asked, are we going to lose money granting .75 relief? Larry stated, water costs include electricity and operational expenses, both hard and soft costs. Marla stated, the water lost was 260k gallons. The annual water use on this property exceeded their annual allotment by a small amount.

Hally asked, what is the protocol? Eileen recounted the process to request water relief. Scott asked how much water relief have we granted? **Larry stated, it would be good to do an accounting of water relief requested and water relief granted on our dashboard.** Scott asked, how do these extraordinary water leaks affect our water rights? Nathan replied, the Service Area's average water use as a whole is well within the amount of water granted with your water rights. We need to fundamentally redo your water policy which is nearly complete. We have been waiting on the residential and commercial rate studies. If we keep everyone on residential rates, we are ready to complete the policy. Right now, we apply commercial rates on a case-by-case basis. Do we want to have our cap go up in the summer when demand is higher? No one is going to use 20k gallons of water in the winter.

Larry noted, we are funding our water system off of our overages in the summer. If we give a bigger allocation of water in the summer, we will lose that revenue. **Suzanne stated, we need to have a work session to bring everybody up to speed.**

Hally stated, in water leaks it would make sense that we should at least break even. Suzanne stated our cost is \$11 per 1k gallons or .11 per gallon. Nathan stated, we could include criteria in our water relief policy that the relief

should not exceed our water cost. You have been a board driven organization and he recommends that the Staff assume the responsibility to review and approve water relief applications and the Board hears appeals to those decisions.

Larry motioned to approve the Staff recommended water relief which was seconded by Scott. Support was unanimous.

Larry motioned to close the public meeting and move into closed session at 8:46pm which was seconded by Scott. Support was unanimous.

7. Closed meeting for potential litigation Per Utah Code Ann. § 52-4-205(1)(c)

Any motion/voting will take place in open meeting after closed session

Larry motioned to move out of closed session and into open session which was seconded by . Support was unanimous.

8. Closed meeting for personnel review Per Utah Code Ann. § 52-4-205(1)(a)

Any motion/voting will take place in open meeting after closed session.

This closed session was not held.

9. Adjournment: *Larry motioned to end open public meeting and adjourn at 9:35pm which was seconded by Hally. Support was unanimous.*

APPROVED