

Summit County Service Area #3
February 10, 2020
APPROVED MEETING MINUTES
BOARD OF TRUSTEES MEETING
629 E. Parkway Drive, Suite 1,
Park City UT 84098

BOARD OF TRUSTEES

Suzanne Carpenter, *Chair*
Hally Hanssen, *Vice Chair*

Scott Sharp, *Clerk*
Larry Finch, *Treasurer*

Dinah Clissold
Vince Pao-Borjigin

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

Electronic Attendance: none

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

In Attendance (Public): Bob Olson (Lot SL-C-153); Howard Phillips (Lot SL-C-191).

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

- a. Review of January 27, 2020 meeting minutes: No comments offered.
- b. Approval of minutes: Larry motioned to accept the January 27th minutes as presented which was seconded by Vince. Support was unanimous.

2. Public Comment: Howard Phillips (Lot SL-C-191) offered his comments regarding the proposed Summit Dr cul-de-sac and ROW. This was Howard's first opportunity to speak with any board member about the cul-de-sac. It appears the work on the cul-de-sac has been going on for several months and it was unfortunate that when staff made a site visit, Howard wasn't available, but his wife Dayna was. It will be the first time the Board will get to question him directly. Howard wants to avoid any contentious relationship with the Board. He approves that the minutes show the Board intends to order a survey. Howard was surprised RFP candidates were walking the property making estimates of the ROW for their bids. It appeared to Howard they were far outside the ROW boundaries and he is concerned they are submitting bids based upon incorrect data. In the future, he encourages the Board to do a survey prior to distributing an RFP.

Howard indicated that he and his wife have never expressed an objection to the ROW. There are multiple instances in the record where other individuals have said that we object to the ROW and that our driveway is not in the ROW; that is not true.

On the work order for surveying it stipulated the job was to locate the SW corner of Lot 192, that point being on the center of the 50' ROW. Howard and Greg Ferrari tried to find the existing stakes. It was very difficult with four-feet of snow on the ground and Greg was unable to do the work.

Howard also observed Shane Johanson, another surveyor, attempt last week to identify the boundary markers. Shane placed a stake on the SW corner of Lot 192 very close to the metal flag (as Howard mentioned in an email to the Board and to the General Manager, Marla.) It is on the property line for Lot 192 and Lot 191, between their lots. Shane placed the stake about four feet due west, indicating the centerline for the property line is at the metal flag. We no longer have to rely on the metal flag. There is a stake in the ground that puts it very close to that.

Howard forwarded to the Board one month ago his concern that the ROW was sliding south based upon the people who were coming out during the preparation of their bids because they were way south of the flag. He spoke to Shane, who said this is the north end of the ROW. He then placed a second stake for the south side of the ROW a whole 50-foot south of the corner of Lot 192. He placed it 25-feet further south than the plat map and the survey parcel map (for Lot 191) show. This can be verified very easily by looking at the relative dimensions on both the plat map and the parcel survey map which shows the west dimensions are 873-feet and the east dimension is 1,042-feet. Both north locations of the property line are well stipulated and consistent with the plat map and parcel map. That legacy metal flag with the new stake four-feet due west shows the property line. Howard doesn't understand why if Shane was asked to identify the ROW 50-feet centered on that stake, he certainly didn't do that.

Howard is concerned about the east end of the ROW as well. Shane placed the stake probably 25-feet off the edge of the road downhill into Howard's property. He didn't place the stake 25-feet south of the location of the property line which, when the surveyors came through for lot SL-B-190 one year and a half ago, placed a stake next to the telephone pole on the south end of the street labeled "25' OFFSET TO PROP LINE" to the north. Howard has pictures of that stake and pictures of the orange paint dot that is on the other side of Summit Dr that the (Lot 190) surveyor placed at the time - the center line of the property is there. Howard doesn't know where the ROW should be relative to that property line and where Summit Dr is established which is to the east of Howard's property. Summit Dr ended at Howard's property and the driveway came straight down the hill at a 15-degree grade which is why Howard extended his driveway in a big loop in order to connect to the end of Summit Dr by the telephone pole. It appears to Howard that the stake placed 25-feet outside of the road is far off where the ROW should be. Even if you said it had to be off the center of the road as the road is built, it's not; it is 25-feet from the edge of the road as opposed to the center of the road. Howard doesn't understand why Shane thinks that is the appropriate thing to do. Howard noted that the driveway Shane platted for Lot 192 is entirely within the ROW. Howard reviewed that and based on where the ROW is located, it does a number on the Lot-192 driveway work. At the time the contractor graded the driveway, Howard suggested they they should look at the ROW in order to be aware of how far they needed to go up to get outside the ROW, but they didn't.

Howard has concerns about the location of the ROW. He is waiting for a good survey. Howard has been in contact with a Rhonda Francis, Summit County Recorder, who has told him there are no additional surveys recorded other than the (Lot 191) parcel map which he provided to the Board in an email. There is nothing recorded on Lot 192 by Johanson Surveying so Howard can't verify any of the data even though the initial survey work was done 4-5 months ago.

As a homeowner, Howard feels stuck. You have this map by a surveyor not following his instructions from the Board regarding how to place the ROW. He asked Shane about the source of his information regarding the ROW, in person and by email, but Shane hasn't replied with that information, so Howard doesn't know how he has placed the ROW. Suzanne suggested Howard meet with the SCSA3 staff to go through all of these details. Howard agreed. Howard wants it in the record because he thinks moving forward the Board has to be careful. The Board could have prematurely authorized the bulldozer operator to begin road work. He noted the minutes indicated great urgency to begin this project, but no one asked the homeowner. There is potential that you (the Board) could have moved forward with what would have been a very costly mistake for the Board. Suzanne replied, the purpose of the survey ordered was to identify the correct location of the ROW and cul-de-sac. Howard feels that even with the most recent email exchanges with the Board including today's response, Howard feels that we still have strong disagreement and that we need to proceed prudently. Howard and his wife agreed that we want the cul-de-sac, we agree it should be placed within the ROW, so let's just do it in an efficient and effective way.

Bob Olsen stated the emergency road has never been plowed this winter and wondered who is responsible for it. Larry replied, that is on Tally Ho property and was installed for Goshawk at the request of the fire district. **Chris replied, historically it has been the responsibility of Tally Ho and Chris will contact Tally Ho, but it won't solve the problem on the Goshawk side of the fence. Chris will look into it and report back to the Board. Suzanne agreed.**

3. Administrative & Financial (motion/voting):

a. General Manager update, interim plan, contract and interview discussion:

General Manager Update: Marla reported on the items accomplished on her to-do list with only two things left to do. One is the audit and she is waiting for County approval as they must verify the Class B Road Funds, they will pay to the Service Area. She has reminded the County she is waiting for this data and it can be completed in the next few weeks. The Annual Concurrence Report is nearly complete; we are waiting for two numbers. It is not due until the end of March.

The survey stakes have been installed for the new Summit Dr cul-de-sac and Lot 191.

General Manager Update: Marla reported on the items accomplished on her to-do list with only two things left to do. One is the audit and she is waiting for County approval as they must verify the Class B Road Funds, they will pay to the Service Area. She has reminded the County she is waiting for this data and it can be completed in the next few weeks. The Annual Concurrence Report is nearly complete; we are waiting for two numbers. It is not due until the end of March.

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Greenfield Well Plat: Marla continued, we have a meeting on Thursday to talk with Dave Thomas and Pat Putt about Greenfield well and the interpretation of the plat amendment. Nathan affirmed he will participate via telephone. Marla stated, the plat amendment shows the perimeter of the well as a dashed line. Nathan stated, there are a couple of things that are wrong. The way dedication typically works is you record the plat, and all the land that has been dedicated to public use whether by easement or full ownership goes to the applicable government entity. The ambiguity in Nathan's opinion isn't whether title passed or not; it's whether dedicated lands through plats can go to a local district like the Service Area. The code states that it either goes to a city or a county but the general idea is that title to land can pass through dedication to a public entity. If there are concerns about the dedication process, the County can pass it to us through a quit claim. The problem appears to be that there is a concern that the owners of the property deeded all of Lot A, including the Greenfield well site, to the HOA with a restriction that the well site cannot be developed. Nathan noted that the deed was recorded after the plat was recorded. This plat's notes also state that the Service Area was to own the well site, that the purpose of the land was for a well site, and that the Service Area is to provide water services to this area in exchange for getting this well site. Because the deed wasn't issued until after the plat was recorded, the plat either creates easement or a fee simple pass to either the Service Area or the County. He doesn't think we need to go through a plat amendment nor do the anti-development restrictions apply to us in anyway because the plat was recorded before whatever deed was issued.

Larry asked, so what are we supposed to do? Nathan again noted that the plat clearly states in three separate places that that is the purpose of the plat to dedicate the well site to the Service Area. Even the aspects of the plat that may be insufficient still say "dedicated to Summit County Service Area concurrent with the recording of this plat". He takes issue with the concern that that the plat wasn't sufficient and somehow a deed that was recorded after the fact is what controls. The first recorded document should take precedence. He agreed there are some inconsistencies with the deed but whether or not a valid easement or fee simple exists is not one of them. In an ideal world, it would be preferable to get ownership of the property but at the same time a perpetual easement works as well. He doesn't believe it is worthwhile to pursue ownership if getting everyone to agree that an easement was created can be done without problem. Larry agreed. Suzanne asked, do we need to ensure we have an easement that allows us to operate? Nathan replied, the plat does that. The plat clearly intends for that.

Larry stated, he believes the well was drilled in 2003. Nathan offered to pull up the plat to show what he is talking about. The plat does not work if we don't have some interest in the well site because that was the entire purpose of the plat. You can't simultaneously expect the Service Area to provide water to this area and then forbid well construction. Marla stated, that is the purpose of the meeting on Thursday. Nathan read from the plat "*the well site located on this recordation plat is owned by Summit County Service Area #3 for the potential drilling of a water well*". Clearly the idea is that we would own the lot when this plat was recorded. The County staff is now saying, this ownership language in paragraph 14 is part of the notes and it doesn't matter. Nathan countered that the dedication language certainly does matter and, in his opinion, while it doesn't state "ownership", it clearly states we get something. He argued we should get ownership or easement.

Nathan continued, another thing they are saying is, this dedication language gives Lot A, B and C to Greenfield Ranches as a non-developable site. This is ambiguous because Lot A includes all 7.44 acres. They are saying it is inconsistent. If you were to own it, it would not be getting all 7.44 acres. You would get whatever the well site acreage is comprised of. The well site doesn't cite an acre amount and ideally it would. It includes a dotted line which usually refers to an easement. His argument is either we have an easement or ownership but either way we have a property interest in that well site and the intent was that we would drill a well. Most wells have some type of associated building so for us to say no we can't do anything with this now clearly violates the intent of the entire agreement that we provide water to them. He would also point out who approved the plat, which is all the property owners, the County Planning Commission, the County Attorney, the County Engineer, the County Clerk, the County Assessor and the County Council. He thinks they are saying, this is an area where you have minimum lot sizes and your well site doesn't meet the minimum lot size for us to subdivide so we have to address that. His interpretation of the deed indicates it requires the Service Area to have an easement and a lease that allows us to build a well. Any deed that was issued after this is subject to the plat. He has consulted others who share his opinion.

Larry asked, what happens if we just start building? Nathan replied, we still have to go through the permitting process. Zoning requires lots of a certain size. There is no zoning restriction on the size of an easement presumably.

URS and Benefits: Marla discussed URS and the proposed health benefits for the general manager position and referred to her staff report. To offer retirement benefits we must use URS. The contribution rate for next year will

be 16.69% in every pay period. Based on a hypothetical salary of \$55k, the contribution would be approximately \$9k per year. We do not have to use the sub-arm of URS which is PEHP (Public Employees Health and Benefits Program). One advantage of PEHP is you can offer it to just one employee. They do have some nice options. The Service Area would have to pay 50% of the single rate as opposed to a family rate. You would have to pay at least half of healthcare. Larry asked, can we offer a family plan and let the employee pay for that portion of it? Marla replied, yes. The 50% is our minimum contribution but we can do more. They do offer a high deductible so you could offer an HSA Plan as well.

Larry asked, can you put in the application before you leave? Marla replied, you would have to vote on the resolution included. Nathan stated, he isn't sure our agenda covers this in sufficient detail to provide public notice allowing us to act on this type of resolution. Larry stated, he is not comfortable with the resolution as drafted. He prefers to see a final resolution. This is a pro forma. Marla agreed. Nathan replied, if you were comfortable with the verbiage you could move to approve it with instructions to fill in our necessary information. He continues to wonder if it has been appropriately noticed-up. Larry replied, if you are uncomfortable with it then we shouldn't move forward. Suzanne replied, we will want this on the next meeting's agenda.

Marla stated, included is the rates, application form and the URS benefits brochure. Hally asked, is it available for part-time employees? Marla replied, if you offer for the full-time employee, you have to offer it to those employees who work 20-hours or more. The healthcare can just be offered to full-time employees.

Interim General Manager Contract: Suzanne stated, a contract was sent out to the Board this morning for their review. Marla stated, she and Bob discussed it. He requested a correction to Robert Olson. We discussed preliminary staffing which will probably be less than 20-hours. Eileen will work Monday, Wednesday and Friday. He feels there is a conflict between Section 2.3 and Section 5.1.2. Nathan stated, we are working on the assumption that Bob will be the interim general manager (GM) until a new GM is hired. The intent of 5.2 is if he wants to quit before we have a new GM that he gives us 30-day's notice. Bob stated the last sentence is in conflict with the other which says he is gone as soon as the GM is hired. Why would I stay to train the new GM if I am gone? Nathan agreed. Scott stated, it seems like we need a 30-day overlap or at least 2-weeks for Bob to train the new person. Nathan replied, that would change the other paragraphs. Larry replied, he always has the right to quit. Nathan replied, the easiest way is to retain the language in paragraph 5 then you can arrange what you want for overlap. We could say "as otherwise negotiated" in Section 2.3. Suzanne amended to say, "unless otherwise agreed by both parties in writing". Section 2.3 gives us that flexibility. Bob replied, then it wouldn't be in conflict with the other sentence. Nathan added, delete that sentence. We will approve this subject to those changes now. He recommended to change the last sentence to "use his best effort to facilitate the transition for the permanent GM".

Larry motioned to approve the contract for the Interim GM as revised if Bob is happy with all of this. Bob recommended the motion be amended because it has not yet been determined. Suzanne asked, do we need to do that in closed session? Nathan replied, you must determine the salary for the Interim GM. Marla replied, Bob rejected \$30 per hour. He feels \$25 per hour or less is appropriate. Bob stated, he is willing to work for free, but his wife told him he cannot do that. He will accept whatever the Board decides. Larry stated, he is comfortable with \$30 per hour. Marla stated, her last day is Friday, February 14th. We are proposing up to 20-hours per week for the Interim GM. Dinah stated, Bob has worked for free for so many years we should pay him \$30 per hour. Scott stated, we are lucky to have somebody.

Suzanne asked for the status of the Interim GM's office hours. Eileen confirmed she is working Monday, Wednesday and Friday 10am-5pm but she is flexible. Marla stated, Bob is willing to commit 4-hours on Tuesdays and Thursdays and a couple of hours on the other days. Larry asked, how many walk-ins do we get? Marla replied, it depends on the day. Larry stated, we should post our interim hours at the mail center and on Nextdoor.

Suzanne stated, we have received nearly 40 resumes. Marla stated, we advertised through Indeed and the newspaper. Indeed gives us automatic applications but it also gives us flexibility. It allows us to review resumes and segregate those we want to pursue and those we reject. Some resumes have been sent directly to Suzanne. Larry asked, have we phone interviewed anybody? Suzanne replied, no. She wants to discuss the process. She wants the Board to have a resume review session in order to prioritize and then start to phone screen. Vince asked, are these resumes automatic, suggested or from those interested? Marla replied, yes, all of the above. Some came through keywords. Vince replied, those who expressly applied for the position should be our interview priority. The automatic ones are most likely dated.

Suzanne stated, before we start reaching out to prospective GM's, the Board has agreed on what skill set we are looking for. She has prepared a list of characteristics which she will share if requested but she prefers to have a separate meeting and create a Board interviewing panel. Based upon that schedule, who would like to participate?

Scott and Vince offered to help. Vince asked, have you noticed any standouts? Suzanne stated, Marla's daughter has applied, and she is a stand-out. Larry asked, it's a good job isn't it Marla? Marla replied, there is a lot variety which makes it very interesting. It is not routine. Vince stated, if we have one or two standouts why go through the process. Let's reach out to them first. Larry stated, he doesn't want to overlook anybody. Sometimes the resume doesn't always tell the whole story. Suzanne replied, using the effective interviewing technique, you spend more time on personality than on job-specific skills. Vince agreed. Suzanne continued, she and Marla have slimmed down a long list of characteristics which she will share with everyone. She has found it successful for each interviewer to select one or two of the characteristics to focus on during the interview. This avoids repetition and ensures important items are covered. Vince stated, we need to act quickly given our time sensitivity and Utah's employment climate. Hally agreed. Some awesome people will be snapped up, but others won't be available for a few months. **Larry requested the resumes be distributed immediately.** Suzanne agreed. Marla encouraged the Board to log into Indeed to use as a review and sorting mechanism. The application period closes Friday. **Vince stated the best person to find the GM is Marla, so he wants her to identify the standouts.** He is available Thursday and Friday of this week. Larry stated, he is available Thursday and then he will get really busy.

Nathan stated, the changes were made to the Interim GM contract as discussed. He reviewed the contract. He added the end date for the current GM. He added \$30 per hour for Interim GM compensation. Bob will work up to 20 hours per week. The term will end when we hire a permanent GM. If you want a transition period, we can do that. In 5.2, he reworded it to say, the employee must fulfill all of his duties and responsibilities set forth above and use his best efforts to facilitate and support an orderly transition to the next GM. If Bob needs to leave before we have a replacement, he will give us 30-days' notice.

Larry motioned to approve the temporary employment contract for Robert Olson as written which was seconded by Hally. Support was unanimous with the exception of Vince who abstained.

Commendation: Suzanne read aloud a resolution of commendation (RES 2020-02) in recognition of Marla Howard for her distinguished service to SCSA#3.

Vince motioned for approval of Resolution 2020-02 which was seconded by Hally. Approval was unanimous.

- b. **Lease renewal:** Marla reported it is time to renew our lease and there is no change in lease terms or payment. We have five annual lease renewals and we have already done one. She feels the offices are working really well. We are in a good location with adequate room. Vince stated he would like to have extensions. Marla agreed. Larry asked Nathan if they could not do one-year extensions but every five years. Nathan replied, we would have to renegotiate the lease and do a lease amendment. He suggested, given the transition, the Board exercise the renewal and then modify the lease in the future. **Vince prefers we amend the lease within a year. Suzanne agreed. Larry stated he would like a three-year lease with a two-year renewal.** Marla stated the lease started in February. *Vince motioned to renew the lease as written which was seconded by Larry. Approval was unanimous.*
- c. **Staff reports: Audit Update:** Marla stated, we are waiting on two items including the TC-750 which is a report that must be filed by Corrie Forsling, Summit County Treasurer, that verifies the taxes that were paid to the Service Area. **We also must file a verification of the Class B Road Funds that have been paid to us by Summit County. She has not been able to get a response from Matt Leavitt, Summit County Finance Officer. She will speak to his boss Tom Fisher, Summit County General Manager.** We have not received funds for November and December, so she provided an estimate in the Audit. Last year, that payment didn't come until March which pushes everything really late. Larry asked how this was accounted for in the journal. Marla replied, it is a journal entry for which she entered a guess of \$17k to represent November and December 2019 Class B. That reverses out in January so when the funds are received it will be reflected in the proper area. The auditors are fine with that. Everything else has been done: all the field work and all the testing has been supplied to the auditors. Larry stated, he observed in the email threads, they may not have that done until March or April. Marla agreed. Corrie said they normally don't do it until March or April. Jon Haderlie, Auditor, is going to find out if they can issue the report without having it because Corrie supplied a report to him, and we have reconciled back to that. **Marla will follow-up with Jon soon,** however, Marla's part of the work is complete.
- d. **SCSA#3 financial and dashboard review:** Marla reported we have spent half of our budget on snow plowing in January. It does not include February. If the next couple of months are reasonable, we should remain within budget. Part of this figure includes December 2020. Larry stated, if we continue to get plentiful snow, we are going to have a budget problem. Marla replied it included the increase for our tax hearing. Marla suggested the Board look at line items Capital Outlay 4740 to 4941. Larry stated the original budget.

Larry asked, are the \$430,817.00 in property taxes received in 2019, correct? Marla replied, no. That is what we budgeted for this year and includes the increase that we went out for in our tax hearing. That \$430k is greater than the \$310k. Larry asked, what is the number we are really working with? What did we get in December for taxes? There was a quite a bump of \$140k in increased tax income, correct? Marla replied, yes. That was due to the tax increase. Larry asked, so we are not working with \$430k in cash? Suzanne replied, not yet. Marla replied, in our 2020 Budget are two-line items, Capital Outlay of \$120k and Transfer to Capital Projects line item 4941 \$97,225.00. Suzanne added, that is what we don't do if we spend more money plowing roads. Marla replied, correct.

Larry stated, his question goes back to our current cash availability. The original budget was for \$430k but that is not what we received in December right? Suzanne asked, do we find this on our dashboard? Larry replied, he wants a mechanism to discern the reality of the financials. Marla replied, in 2019 we collected a total of \$354k which included current property taxes of \$315k, prior year delinquent taxes of \$14k and fee-in-lieu of property taxes of \$26k. Larry stated, we have \$315k in December 2019, right? Marla replied, yes, and throughout the year. They collect some property taxes during a home sale which is remitted to us during the year. Larry asked, so that is the cash that we are working with. Marla replied, correct. Larry asked, we won't get the \$430k until December 2020. Marla replied, correct. Larry stated, he doesn't understand that reconciliation. He knows we get billed in arrear on our taxes. He is difficult to follow. Marla replied, it is difficult and that is why they changed the rule that we couldn't have more than one year's budget in savings because the legislature finally figured out that everybody gets their taxes in December for the next year.

Larry asked, we have only received \$6.1k in water service fees through January? Marla replied yes. Eileen has a list of customers due to receive warning letters. Xpressbillpay hasn't been working this week.

Marla stated the difference in the overall cash position has to do with the water rights that we bought last year. Larry help me understand where we are at. He is struggling to comprehend the numbers. Suzannane asked, what are the PTIF 850 and 8712 accounts? Marla replied, the 850 is the main savings account for the General Fund and the 8712 account was created for the Service Area to put money into for Capital. Suzanne asked, so 850 is the account for the Service Area to withdraw out of to maintain our cash flow for 2020. Marla replied, yes. We take money out of that and put it into Wells.

Marla directed the Board's attention PTIF 851. It previously held \$582k but now is reduced to \$80k. Larry asked, is that our reserve account? Marla replied, that is our savings. Larry asked, is PTIF 851 our Capital account? Marla replied, correct. PTIF 5944 and 5945 are the two accounts associated with the bond where we have to have a reserve. Larry asked, do we need to add to those each year? Marla replied, no. They are maxed. That is the most we are supposed to have in them. Their cash flow is sufficient to pay our annual. Larry asked, is PTIF 5946 our operating funds? Marla replied, that is under the bond for capital. The bond encourages you to put money away into a capital account that can be used for maintenance and capital improvements. Larry replied, so we only about \$161k in operating funds for the water system plus the \$25k at Xpressbillpay for a total of \$185k? Marla replied, yes. Larry added, we have \$185k in operating funds and \$201k to draw upon if the well breaks. Can we dip into PTIF 5946 \$201k? Marla replied, that \$201k is actually \$136k because it includes a payment for which Marla gave Bob the wrong account number so \$65k needs to be transferred from the PTIF 5946 to PTIF 8712 which will occur tomorrow.

Marla reminded the Board that Curt Ludvigson, Development Specialist with Utah Rural Water Association, will be at our next meeting to give his amended water rate recommendations which will include commercial rates. She also asked him to address the standby fees and the well fees.

Larry asked, we show a count of home and lots to be 457 yet the total lots with Silver Creek is 510. Marla stated, the difference represents East Creek Ranch which provides us with some tax revenue, some dry lots that we don't have to service as well as lots that belong to public utilities or commercial businesses for which we do not provided any services.

Larry asked, when East Creek Ranch was re-platted, did that reduce the number of lots? Vince replied, it reduced the number of lots we would have to service. Marla replied, we never had a commitment to serve those lots at East Creek Ranch.

- e. Invoice review: Larry stated, on Chris' invoice #11581 there is a line item for \$122 for the December invoice. On invoice #11582 there was a December 3rd for \$70. How do you account for these charges? Marla replied, they are minor, and she is not concerned. It is a materiality issue. We have the same issues with Questar. Larry asked, do we have a cut-off date for invoices? Marla replied, she has contacted every vendor or contractor who might have an outstanding invoice. **Larry asked, do we have a policy for our vendors to provide invoices by 'X' date after the**

year closes? Suzanne replied, no, that is not in our purchasing policy. Larry and Suzanne agreed that the policy needs to be updated. Marla stated, we do have such a policy with our snow removal contractor Wolff who must submit invoices within so many days. Larry stated Chris you must submit your invoices on time. Chris replied, he would look at that, but everything was in on time before February 6th as had been previously requested. Marla agreed.

Larry stated, we need to look at how we are spending money particularly with the rest of the snow year. If we continue to get plentiful snow, we are going to have a budget problem. Suzanne agreed. Larry continued, January hasn't closed, and we just approved a bunch of invoices. He doesn't know how much is included in here. We have a month's payroll coming up. Marla added, the payroll is split between water and roads. Larry replied, we are going to really really have a look at our expenses.

Vince stated, when we came up with our snow budget, we took our average over 10 years knowing some years we would go over and some years under. How are we handling this with respect to the County? Larry replied, it's an amended budget. When there is no snow, we put the money into Capital and in periods of excess snow, we take it out of Capital. Marla replied, that is how we have to do it. We cannot have a 'slush' fund. We either have to put it into the General Fund. Larry added, or take it out of capital. That is why we have a reserve. Vince agreed. For the new board members, because the snow years are so random, we decided to use an average for snow budgeting knowing we are going to be up and down and apply it quarterly. Larry added, we have had three out of four plentiful snow years which is good in a ski town.

Marla reminded the Board that legal counsel's invoice was sent in an email for their review.

Vince motioned to pay the invoices as presented in the Board packet which Scott seconded. Support was unanimous.

Vince stated he is pleased to see that snow has been removed from the fire hydrants, but he was informed that such snow removal is the responsibility of the residents. Chris and Larry reminded those present that the Board approved that the Service Area do some of that. Vince replied, he is glad we are doing it. Chris reported, those responsible homeowners who had been clearing the snow in front of the hydrant in the past, have stopped doing so once they saw that the Service Area was taking care of it. Larry added, that might be something we want to bid out every year. Vince agreed. Vince added, he is glad all of our fire hydrants are flagged now. Marla and Larry stated it comes out of road maintenance.

4. Road and Trail (motion/voting):

- a. Engineer RFQ update: Marla reported it has been advertised on the Utah Public Notice website, Summit County website, and in the Park Record newspaper. She sent the RFP directly to Tim Biel, Joe Santos and Gary Horton. All three contractors indicated they will submit a response. The deadline is February 28th.
- b. Summit Cul-de-Sac RFP and report: Reviewed in the public comment section. Larry affirmed the need for a good survey. We may have to delay until the snow is gone.
- c. Silver Creek Road Repair RFP: Marla stated we are seeking an accurate estimate to repair Silver Creek Rd. Tim Biel, Engineer with PEPG Consulting provided us with his estimate based upon his analysis of the problems in the road. However, based upon other engineering estimates on another project where the bids came in significantly higher than the estimate, we felt it was in our best interest to do that. So far, we have only heard from Geneva Rock. A number of other contractors have expressed an interest. We are holding a mandatory meeting at 10am on Friday February 14th. It has been published on the UDOT website.
- d. Trail RFP: Larry pointed out Summit Drive cul-de-sac is an error. Marla replied it has been fixed. This RFP has not been issued yet. It will be distributed February 28th. It includes all the trails but also the trails that need repair work. We have requested they bid by line item. Scott asked, what part of Silver Creek Rd are we talking about? Marla replied, the section where the sewer line was installed. Mike Kendall, Summit County Engineer, expects this to be fixed even though the County is looking at the Church St road. They have said they haven't gotten any engineering specifications and they don't know how soon they will be working on Church St but they want Silver Creek Rd fixed. Nathan asked, so the County wants us to fix Silver Creek Rd before they do any work on the connector? Marla replied, yes. Nathan added, but they don't have a timeline for the connector. Marla replied, no. If the County was ready to go with the connector work our repair of Silver Creek Rd would be a different discussion. Larry stated, we know there is going to be some litigation about the connector.
- e. Road Bond: Marla stated we have enough moving parts that we know we are not ready to go out for bond. We need to consult with our engineer. LTAP is coming in in May perform another assessment but it only looks at the surface of the roads. We need to do a more in-depth analysis and repair of the foundation of some of our roads and not just patching. Once we select our road engineer then we can talk more about the road RFP. There only

two agencies in Utah who provide bond services. Nathan replied, one includes Zion's which our firm works with and another is Robertson. Marla reported, she spoke with Lewis at the UASD conference who advised it takes up to three months to complete the bond process although, on occasion, they were able to complete the process in 45 days. We are endeavoring to secure the maximum amount of dollars which will be less than \$1mill. It probably will be a private placement.

Larry stated, we need a general manager in place before we pursue the bond option. Suzanne stated in her discussions with Marla we feel the arsenic filtration should take precedence over the road bond. She agrees with Marla, before we put in more capital in our roads we should know more about their maintenance. It may mean for 2020 we need to look at more chips sealing. Larry replied, if we have money. Have we discussed which roads we want to chip seal with the County? Chris replied, no. The County's RFP just went out recently to get their pricing. Chris will have to review their RFP to see when it closes which is mostly likely 30 days. Suzanne stated, we may just look at doing some pothole filling and chip sealing our roads in 2020. Let the engineer finish his analysis and recommendations before we begin major road projects. Larry agreed, stating before we spend that kind of money and bond for it, we have to be prepared. Suzanne pointed out, 2020 will be more of a maintenance year again. Larry agreed, because we don't have any money. Marla reported she, Chris and Suzanne have some real concerns with the LTAP estimate. They designated Aspen Lane as the best road in the Service Area and it is already gone. Chris corrected, it wasn't the best road, but it had the longest life as well as a couple of other roads, but it has since deteriorated very quickly. Larry stated, you should have seen before we applied roto mill. Vince asked, Chris, are there some places we can get roto mill? Chris replied, no, he hasn't heard of anything awarded yet nearby. One award is only in Wasatch County. Vince encouraged Chris to look into it and that we can stockpile it. Larry asked Chris to see if UDOT will give us permission to stockpile it at the truck stop. Marla reminded the board that roto mill doesn't keep long. Suzanne stated, we need and can have a good roto mill, chip seal, pothole repairing plan for 2020. We need to communicate with our residents on their road finishing preferences and our plans. We need to make sure everyone who is getting roto mill, wants it. Larry asked Chris if he has driven Earle St. Chris replied, yes. Larry noted it is full of potholes and he asked for assurances we are not going to accept that road. Larry asked Marla consult with the County regarding Earle St.

- f. Road/Silver Creek Connector committee: Marla reported on the meeting with Derrick Radke, Summit County Public Works Director. He stated he is trying to figure out who will be on such a committee. He wants to have a board member, the General Manager and Chris on the connector road committee. The board needs to select a representative. They want to interface with a smaller group rather than the entire board as they go through this planning process. Vince replied, he wants to participate. Larry stated it should be a couple of board members. Nathan stated you must limit the number of board members to one or two avoid triggering the open meetings act. Suzanne agreed.

Larry stated he wants to see some preliminary plans on their ideas. He has an undivided interest in that property (Civic Center) through his deeds. Marla stated the proposed development west of Greenfield Dr is out. Chris stated the proposal by the Bitner Group, originally presented to the board, is no longer on the table. Larry stated the scheme is in disarray so it's going to be a long time before it gets done. He doesn't want the Service Area to lose anything in this deal. We should be gaining. Marla replied, they hinted at the possible benefits to the Service Area and asked us to put together our wish list on the reconfiguration. Larry replied, we need to get a group of residents involved. We are not qualified to figure that out. Suzanne agreed and suggested a survey. Larry pointed out the connector road will bifurcate lower Silver Creek area. They are going to dump 5k additional cars a day here. Marla stated we have strong concerns about the safety of our children who will cross the connector to reach the school bus stop. Vince stated his discussions with Kim Carson, Summit County Council member, and others indicate they are very much aware of that issue and it is a priority for them as well. Larry expressed his deep disappointment with the County's ability to execute sensitive projects.

Marla asked, do we want to have Utah Conservation Corps (CC) come in May? They have a couple of slots for their groups to come in May to work in Lewis Park again. Larry asked, did we get our money's worth last time? Marla replied, no due to the summer heat. They were here in August when the soil was so baked and dry the posts and barbed wire were very difficult to pull out. Suzanne replied the work is more easily performed when the soil is wet. Larry asked, do we still have barbed wire on the ground there? Suzanne there is still some there. They only got part way up the hill. Larry asked, did they do this work by hand? They couldn't get equipment in there. Suzanne replied it was hard to get equipment in there. Larry replied he is all for have the CC come back. Suzanne stated, she is concerned about the safety of the residents. Larry asked, should we buy some fence posts caps? He would be willing to snowshoe over there and install caps on the posts. Chris recommended he bring his mini excavator in the spring to put the fenceposts. The CC doesn't have that type of equipment anyway. They can

come in afterwards for a clean-up and pull brush. Marla added, the scrub oak kept their blades dull. **Larry, Vince and Suzanne stated we need to develop the scope of work.** Dinah observed every time she entered Lewis Park during the CC's work, they were always sitting under the trees drinking water because it was extremely hot in August.

5. Water (motion/voting)

- a. Arsenic RFQ: Marla stated here is a summary of the responses we got last year. We are considering two techniques: absorption and a chemical treatment. Because of the complexity and the danger of the chemical additives and the process to remove the arsenic, the committee decided only to consider the absorption method. We received a very favorable bid from WesTec however, in late November 2019 they informed us the favorable pricing was due to a favorable contract with one of the suppliers of the sand absorption media. Their price has gone up \$100k so it is became necessary for the Service Area to go out for another bid. During this process, we have been working with Michelle De Haan, Water Quality and Treatment Manager at Park City Municipal. Her contact at Arizona State University (ASU) will perform rapid-column testing which we will do once we determine our media. The RFP was distributed to three organizations: Filter Tech, WesTec and Adedge . We should be getting those results back next week. **Then we need to reform the water committee in order for HAL to report the results and re-create the ranking process again. Larry suggested one of the new board members should be in this meeting.**

Nathan stated all of this is contingent upon clearing up the Greenfield Well property issues. Marla agreed but pointed out, based upon the TDS, the District Well must be rested and the Greenfield Well must come online. The District Well, we estimated, must rest for 10 years.

Larry stated we need to move away from our dependency on water overages and we must fund about \$1mill of capital improvements. **Marla replied, Curt will address that in March.** Larry replied, we can do these things concurrently. We have to bond for the new water treatment and new tank. Suzanne stated the tank is leaking. Larry noted, we don't know how much longer we can rely upon a leaking tank. What happens if we don't do anything? Suzanne replied, we will shut the water system down. Larry asked, what would be the effect if we didn't do anything for two years to that tank? Suzanne replied, the tank is already leaking. Marla added, it was in the report and why the repair cost is so high. Larry stated, maybe that is the first thing we have to solve. **Suzanne replied, it may be the first thing we fund but it would be nice to have a comprehensive plan. Larry agreed.** Suzanne stated, if we can't resolve the arsenic filtration down here, we may have to put the filtration at the tank. Chris stated we can put the booster at the filtration station. Larry stated, we don't have sufficient ROW there. Chris replied, his first choice would be at the filtration station before the tank because we would have to add more line from the Greenfield Well to the tank. Right now, it blends at the booster station. Marla added, the new lines cost a lot of money. One of the options for the water tank is to lease a parcel from Park City Municipal for a new tank placement which would be a much lower profile while achieving overall improved functionality and seismically stable. Vince stated, what we have now is now is kind of half-assed and **if we have to go through rebuilding, we should consider it from a long-term perspective and spend a little more.** Marla replied, a bolted tank is easier to install and maintain. The Silver Bullet tank is on a lot that could potentially be sold for more than the cost of a new tank. **You will have to follow-up with Clint McAfee, Public Utilities Director, at Park City Municipal.** He inquired extensively about our needs and requirements. Perhaps they want to give us a tank since they are dismantling their Three Kings facility. Vince urged the Board to carefully manage the parcels we have left. In the past, we sold off some property without careful consideration. We don't have many properties that we could potentially sell. Suzanne stated, we own Lewis Park. Larry stated, we have Echo and the Civic Center. The question becomes, how much do you want to pay for water.

They looked at a map of the various locations. Marla stated Park City asked we wanted to buy the property and she declined and offered to lease it for \$1 per year.

- b. Water committee: Suzanne asked, any questions on the Enterprise Fund? **Marla stated, we need to re-form the water committee.**

Larry motioned to move into closed session which was seconded by Scott. Support was unanimous.

6. 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

7. 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

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

APPROVED

