

**Summit County Service Area #3**  
**February 25, 2019**  
**APPROVED MEETING MINUTES**  
**BOARD OF TRUSTEES MEETING**  
**629 E. Parkway Drive, Suite 1,**  
**Park City UT 84098**

**BOARD OF TRUSTEES**

Vince Pao-Borjigin, *Chair*  
Suzanne Carpenter, *Vice Chair*  
Larry Finch, *Clerk*  
Robert Olson, *Treasurer*

Eileen Galoostian  
Michael Montgomery  
Peter Keblish

**In Attendance (Board):** Vince Pao-Borjigin, *Chair*; Suzanne Carpenter, *Vice-Chair*; Bob Olson, *Treasurer*; Larry Finch, *Clerk*.

**Not in Attendance (Board):** Mike Montgomery; Peter Keblish; Eileen Galoostian

**Electronically:** No participants.

**In Attendance (Staff/Contractors):** Marla Howard (GM); Chris Bullock (Roads Manager and Water Operator); Eileen Haynes (Assistant Clerk); Nathan Bracken (Legal), Ben Miner (HAL).

**Public Meeting Attendees:** Linda Kelsch (SL-A-29 and SLA-30); Scott Sharp (SS-18-17).

1. **Welcome and call meeting to order:** Suzanne called the meeting to order at 5:32pm.
  - a. Review of January 28 and February 4 meeting minutes: Bob provided corrections to minutes for both dates which are included in today's packet. Suzanne amended January 28 minutes Section 3.c to read "most qualified vendor at the lowest price".
  - b. Approval of minutes: Larry motioned to approve the January 28<sup>th</sup> minutes as amended. Bob seconded the motion and approval was unanimous except for Vince's abstention. Larry motioned to approve the February 4<sup>th</sup> meeting minutes as amended. Suzanne seconded the motion and approval was unanimous.
2. **Administrative & Financial:**
  - a. Update on current projects and staff reports:
    - Greenfield Well Property: Marla summarized that a deed had not been recorded for our Greenfield well location as it should have been, and the Greenfield HOA has been paying taxes on it in the amount of \$67 per year since 2005. They shouldn't have been as it is tax exempt as a property dedicated to public use. Nathan reviewed the property research performed noting, in 2005 this lot was approved by the County: Assessor, Planning Commission, Engineer and Attorney and, in his opinion clearly shows the intent is to give title to the Service Area as noted on the plat amendment which states "dedicated to SCSA#3 concurrent with plat recordation". When you make a dedication, you are either giving an easement or fee simple title. This plat does not indicate which but other language makes clear it is not an easement because paragraph 14 states "the well site located on this plat is **owned** by SCSA#3 for the potential drilling of a water well." It was clearly intended to give title to SCSA3. However, a separate legal question remains, *can you dedicate land to a Local District when the code specifically states municipalities and counties?* In his opinion, he believes it is legally acceptable through a plat because the intent is to dedicate this land to the *public*

*entity most able to provide that service.* There is no question a deed is necessary and desirable, and he affirmed the property should be tax exempt. Larry wants to correct this issue. **Nathan will pursue this angle with Jami Braken, Deputy County Attorney, and ask for the County to quit claim the parcel to SCSA3.** Nathan asked, is this land sufficient to contain the proposed arsenic treatment plant? Bob responded, it is if you put the existing well in the building.

- *Capstone Project:* the selected student declined the job offer due to feeling unprepared. Staff are working on other alternatives.
  - *Peter Keblish resignation:* Marla reported the Keblish property sold and closed on February 14<sup>th</sup> but we don't know if he continues to live in the area or has relocated somewhere else. We heard from a neighbor he moved into Park City proper. Vince also reached out to Peter regarding his plans and has not heard back. **Vince recommended, we amend the proposed newspaper ad to include "Lower Silver Creek". Larry has one potential candidate from Unit I.** Nathan noted, the interviews and selection discussions are open to the public. No matter where Peter lives, by law he may serve until his position is filled. You can base the 90-day replacement window on his February 14<sup>th</sup> closing. **Before placing an advert, Nathan recommended the Service Area send Peter a letter, an email and a text with a hard deadline, as well as keep copies of all of our attempts at communication, stating we are going to act on this date unless we hear from you. Larry suggested the letter be sent uncertified to his old address for forwarding.**
  - *Elections:* Eileen H reported she has been in touch with the County Election office and they will have a meeting with us in April to review the 2019 election process.
  - *Utah Water Users Workshop:* Nathan recommended staff attend this workshop over any other water meeting. **The entire board supports Chris and Marla's attendance.**
- b. **Branding and Logo:** Marla presented five logos. Larry prefers Logo #2 in san-serif. Summit County and Service Area #3 should be the same size font, bolder type and in black. Suzanne likes the logo in two lines. Vince wondered if the logo should include the words "Silver Creek". Marla replied, staff discussed this at length concluding it is important for our brand identity that we position ourselves as a separate entity from the Silver Creek HOA and the Silver Creek subdivision; we are water and roads. **Larry suggested a tagline "serving the residents of Silver Creek Estates".** Chris suggested something like that is appropriate in the banner of a newsletter. Vince suggested the same tagline be used in the letterhead. **He also asked that flood mitigation be placed on the agenda in March.**
- c. **Financial review:** Marla presented the current financial accounting noting we are operating well within our budget for both our regular and general fund. She has notified the auditors we are ready to begin the audit. The accounts receivable past due has been greatly reduced. **Larry requested an updated Fund Balance. Marla agreed.**
- d. **Franchise agreement discussion:** Marla stated, she is uncomfortable approving the FFA noting it does not accurately reflect our statutory agreement with the County. She prefers to present our objections to the County Council. Nathan stated, he sent an email to Dave Thomas, Chief Civil Deputy Attorney, noting his conceptual issues that the Service Area is different. Dave emailed back stating he recognized that the Service is different and to please forward Nathan's redlines as the County Council is asking for this. To avoid incurring unnecessary legal fees, Nathan advised, this is a discussion between elected officials and recommended the SCSA3 go to the County Council and explain why the SCSA#3 Board feels the FFA is inappropriate because the FFA is written for entities who do not have road managing authority. Also, an Interlocal Agreement might be a better vehicle to address the

Council's concerns. Our preference is to not spend the time and money creating additional governing documentation while their needs are covered by our statutory authority. Omit any mention of your Attorney. Larry recommended that Marla write a letter to the County Council explaining why we feel the FFA is inappropriate, citing the relevant codes and memorandum. Nathan agreed, advising the letter include words to the effect that we want to work with you and if the Council continues to feel they need another agreement, it should be an Interlocal Agreement. Do not copy their attorney. Bob recommended that Nathan review the letter. Nathan agreed.

- e. Open house date discussion: Marla proposed June after school has ended. Vince agrees.
- f. Peter Keblish replacement: *as discussed earlier*.
- g. Invoice review: Marla updated the Board regarding invoices enclosed in the packet. The legal invoice was sent via email earlier. The other invoices include two to Wolff for snow removal in the amounts of \$20k and \$25k. Year-to-date we have spent \$65k of our snow removal budget of \$80k and we have at least one more month of potential snowfall. Chris commented, we usually do not plow in April. Our snow removal budget in 2018 was \$40k and in 2017 was \$113k .

### 3. Water:

- a. Water filtration RPF review, staff recommendation and discussion: Ben Miner, Engineer with HAL, discussed the status of the project. The role of the vendor is to do two things: design a technology to remove the arsenic and the selected vendor will manufacture the "unit". As part of this process, you may go on field visits to tour active projects and they will come in for interviews. HAL will do the building, water-piping, valving, surveying and site work. Once you select the vendor and type of filtration technology, their design would be incorporated into our bid package distributed by the Service Area.

He stated, we are past the point of making assumptions and need to provide the vendors with the most up-to-date water quality information regarding iron and silica. Ben suggested we take the same parameters and sample them again. He also wants to identify the species of arsenic present. Larry observed, the well has not been run since July. Chris replied, the well has been running artesian for three months.

Ben recommended Chris run the well for an hour then HAL will remove several casings of water. Ideally it would be tested every 3-6 months. At least an additional data point is advisable. Vince requested graphs of accumulated data. Marla does not have any. Ben replied, we can easily put those together. You have data on the arsenic level. The Division of Drinking Water only requires testing on some items every few years and some only once therefore some data is not available. We have data on some metals and silica. Chris stated, he performed a 'total inorganic' in August which shows iron. We will have to do the species of arsenic. Larry and Nathan support Ben's recommendation. Chris stated, he will drop off water sampling tomorrow. Vince recommended we develop and perform regular water testing. Larry suggested quarterly. Chris replied, the big one we do every five years while some are on a 9-year schedule. Ben agreed, the service area should have a regular and more frequent time schedule. Chris stated, the inorganic testing cost about \$900 while the arsenic is about \$75. We want to avoid spending several thousand dollars every quarter. Ben stated, testing on a new well is very complete and costs about \$2,000. It also includes herbicides, pesticides and radiation some of which won't be an issue here. Your main issues, as he sees them, include general water quality such as metals and total dissolved solids. Larry stated, he is concerned about gaseous chlorine.

Can we use something that does not require an operator license? Ben replied, some degree of licensing will be required. There are four popular Chlorine choices: 1) Gas is easy, cheap and dangerous. Most people use gas. 2) Liquid has worker safety issues. 3) Tablet circulated with water to achieve the correct concentration. 4) Electricity with salt; it is the safest. We can specify “no gas” initially or further into the process. Larry replied, he is concerned because we are in a residential neighborhood. Vince stated, although it is very rare, it is a concern and he wants each of the types to spell out the safety and costs. Larry stated, he was impressed with Salt Lake County Service Area #3 material waste disposal using the ‘Pure-Flow’ system which concentrates their solids. Ben recognized the Service Area does not want an expensive approach to waste disposal.

Vince inquired about ease of servicing and the availability of parts. Ben replied, there is a redundancy clause where he requested an extra ‘pressure vessel’ so you can remain at full capacity at all times. There is always something that can go wrong so it is impossible to be 100% covered. The local suppliers keep most supplies on hand. However, if you choose a supplier not in the area you never know what you are going to get. Larry asked, can HAL provide an evaluation matrix? Ben replied, yes, we have provided a point system. Larry asked for points to be assigned to the number of local references provided.

**Vince formed a project committee including himself, Larry and Chris/Marla.**

**Ben invited the Board submit document corrections to him via email.** Bob offered some corrections to the document such as missing apostrophe’s; document 52, page 1, paragraph 4.02 and 4.03 a letter was dropped. On page 2 of RFP, in the middle, why do we specify 4-parts-per-billion (ppb)? Is this necessary since we are going to be blending and given the costs? Ben replied, his logic for the 4-ppb standard is his observation that SCSA#3 values low levels of arsenic and the EPA has strongly considered lowering the threshold to 5-ppb. Therefore, he recommends SCSA3 is prepared for a lower arsenic standard. Vince replied, all the data shows that even 4-ppb could be hazardous to infants and pregnant women. Isn’t the current 10-ppb a compromise to keep costs down for the high-arsenic Western States? Water safety should be as low cost as is practical. Bob agreed but feels we should consider all the costs for the different data points. Vince replied, since we are an Enterprise Fund, he supports gathering the data.

Nathan stated, please keep in mind the current 10-ppb is not settled policy. Sooner or later it will come back. Vince stated, he has heard there is a study happening in Salt Lake City that the arsenic has to be below 5-ppb. Larry stated, this is a 50-year project. We are not sin-substantially in debt; we own \$180k in bonds. He finds 20% additional cost is acceptable and he does not want a future board to have to revisit this in 10-20 years. Vince agreed. Suzanne replied, more like 5-years. Nathan agreed, you should get the costs. In his experience, the EPA is largely driven by staff in the East and all sides are unhappy with the current standard. As a practical matter, you cannot go lower than 4ppb. Ben agreed. We could put multiple standards in the RPF. You could change and adjust your standards over time depending upon the technology you should choose and how you operate it such as delay filter changes. Vince replied, he is supportive of that. Larry stated, let us go with 4-ppb and discuss further with the vendors. Vince agreed.

Larry enquired as to the depreciation. Ben replied, that is a good question. Vince stated, the reason we need a bond for this is the financing could be lower. Ben replied, getting a good interest rate on a loan is possible. Larry asked, what is the time frame on the pilot? Ben replied, probably about one week but he wants the vendors to indicate the time frame. They are accustomed to one week or

longer. This will give them time to pull samples. **Larry stated, we have to get going on a bond and a rate study.**

**Ben suggested, read through it and send me your notes and proposed dates.** The vendors need at least a couple of weeks to review. He recommends a minimum of 2 weeks. Vince would like 3 weeks. The board will complete their reviews by Friday March 1st.

Vince reported his travel schedule will not slow down until April 2<sup>nd</sup>.

- b. **Fire-Flow RFP review and discussion, staff recommendation and discussion:** Chris asked Nathan, he has not gone to the County for permits. Is this still the situation? Nathan stated that it is biggest concern with the FFA. Right now, you are not exempt from all permitting requirements with the County. You are subject to the Clean Water Act permit and the Storm Water Pollution Control Permit which the County administers. Chris asked, for the Fire Flow RFP, do I include these new potential permitting requirements or leave it out? Nathan replied, proceed the way that we are. You can build nuance in there.
- c. **Water rate study discussion and timeline:** Marla reported that Nathan has reviewed it. Suzanne commented on Section I, item 4, “provide recommendation for allocation of each customer’s water allotment throughout the water-use year”. Do we want to add language regarding the allowance for the full .75-acre-feet? Nathan stated, he made some edits to include that. Suzanne stated, our objective is to allow our water users to fully utilize .75-acre-feet. Also, see Section III, item E. In Section II regarding Board Membership, update it to seven members. Nathan reviewed Section B, item 2. “Each home connected to the water system received an allotment of .75-acre feet”. Nathan reviewed Section I, item 1. Suzanne reviewed Section IV, items A 1, 2 or 3 for future Capital Expenditures and asked, do we need to add anything? Larry replied, they are going to have to understand how we depreciate assets. Otherwise, Suzanne stated, it was well done.

Nathan asked, do we need a section on how you evaluate or score proposals? **The Board should think about how to weigh the criteria. Marla and Chris should make a proposal.** Larry asked, how many people do rate studies? Nathan replied, Zions Bank and Barnett Consulting are the two that come to mind. Larry stated, do we need a value-added section for example if we change banks? Nathan replied, they are different sections of the bank. Vince and Larry would like to change providers.

#### **4. Roads and Trails:**

- a. **Review of road capital plan RFP responses and staff recommendations:** Chris stated, we received 2 bids for the Pulverization and Re-asphalting of Wasatch Way. They are about \$500 apart. Larry asked, how will you evaluate the vendors? Chris replied, we do not have a set evaluation system. Vince asked, does this include speed mitigation or traffic calming? Chris replied no. Marla stated, we have budgeted \$120k for this work. We are going to ask for a level road base. At that time, we will ask them to do speed bumps and raised cross-walks. The speed bumps with the sidewalk is the most effective. Chris stated, we should amend the RFP to include traffic calming and leveling the road base and reevaluate at that time. Larry stated, that is why we need to have an evaluation point system. Vince agreed. Nathan confirmed this was drafted has a “bid” not an “RFP” so the lowest qualified bidder generally gets it, but it is not set in stone; you can still select the “lowest-priced qualified bidder”. Marla stated, completion should be by the middle of August. Larry and Suzanne stated, the fire-flow process will dig up the roads so we might not want to get it done by August. We should request additional information. Chris replied, we will make some changes.

- b. Discuss 2019 Trail maintenance plan: Marla reported she and Chris believe we should wait until the snow melts in order to see the damage that has occurred. They suspect trail maintenance needs are going to be extensive this year. Suzanne replied, the last time we had this much snow it was 2011 and we now have 80 homes in our delta down here, so it is going to back up. Chris replied, he anticipates problems along the whole length of Redden Rd. Bob reported, all the ditches are filled with snow.
- c. Roads policy review – including construction fees: Marla reported, she and Chris have been approved to review plans in the Summit County computer system which will allow them to determine home size. Some board members had expressed concerns about relating fees to home size etc. Others are concerned that our review process is simple. Larry replied, are we going to require someone to pay a fee on a \$30k re-roof, window or kitchen? What service are we providing a homeowner that reflects that non-refundable fee? Are we bringing the taxpayer value? Vince replied, he understands the fee is for impacts to our roads. Nathan agreed, the point of this to cover the administrative fee and impact to the roads. Your current fee system is that it is a one-size-fits-all approach. However, if you get into a tiered system you are going to make things harder. You should set the threshold value.

Chris summarized, we are returning to a \$50k threshold which will eliminate fees for the remodels and re-roofs, and it is capturing a gut-and-remodel as well as additions. Nathan stated, if it is a building permit with a \$50k price-tag and it involves 5,000sf or more of work then you pay \$1 per sf additional. Your policy does not address commercial construction. Vince summarized the triggers include: permit application, \$50k or above costs, and square footage on remodels or new-build above 5,000 sf. Nathan stated, you could just exempt remodels. Suzanne and Vince do not want to do that. Chris asked, would it be helpful to have a waiver clause? Larry, Nathan and Vince do not like it because it would be treating people differently.

Suzanne suggested a table. Vince proposed that Marla and Chris revised this further and distribute for review. Larry added “new living space”. Nathan stated, he will look into commercial exemptions.

*Larry motioned to end the Working Session at 7:32pm and move into Public Comment. Suzanne seconded this motion and approval was unanimous.*

#### 5. **Public Comment:**

**Linda Kelsch (SL-A-29+30)**: Linda asked, there were over 100 big dump trucks going into our area a couple of years ago. Did they pay fees for that? Chris replied, we did not collect any fees from that project. Larry replied, we did not have a mechanism to do that. Bob added, and we also did not have the truth. Vince shared the new processes being created with the County and the Service Area to capture fee opportunities. Marla stated, the new system still will not capture the situation Linda mentioned. Linda stated, when she was on the Board, big trucks were limited to a certain season they could drive into the area due to the roads.

**Scott Sharp (SS-18-D)**: Scott expressed concern regarding the potential for flooding on Redden Rd. Chris stated, Redden Rd is one of the higher priorities due to drainage for the Service Area. The Board invited Scott to consider applying for an opening on the Board.

*Larry motioned to end the Public Comment at 7:39pm and move into Voting. Suzanne seconded this motion and approval was unanimous.*

#### 6. **Voting:**

- a. Filtration RFP approval: *tabled.*
- b. Fire flow RFP approval: *tabled.*

- c. Road RFP award approval: *tabled*.
  - d. Open house date approval: *tabled*.
  - e. Item 2.g Invoices:
    - Larry motioned to approve the Smith-Hartvigsen legal invoice for \$5,1064 as approved by Marla Howard and seconded by Suzanne. Approval was unanimous.
    - Larry motioned to approve the TCB Landscaping invoice for \$3,118 and \$1,100 as approved by Marla Howard and seconded by Bob. Approval was unanimous.
    - Larry motioned to approve the Wolff Excavation and Snow Plowing invoice for \$19,998.08 as approved by Marla Howard and Chris then seconded by Suzanne. Approval was unanimous.
    - Larry motioned to approve the Wolff Excavation and Snow Plowing invoice for \$24,225.00 and seconded by Suzanne. Approval was unanimous.
7. **Adjournment:** *Larry motioned to adjourn the meeting at 7:42pm which was seconded by Suzanne. Approval was unanimous.*

APPROVED