

**Summit County Service Area #3**  
**SEPTEMBER 23, 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*

Larry Finch, *Clerk*

Eileen Galoostian

Carol Spiegel

Suzanne Carpenter, *Vice Chair*

Robert Olson, *Treasurer*

Michael Montgomery

*In Attendance (Board):* Vince Pao-Borjigin; Suzanne Carpenter; Bob Olson; Larry Finch; Carol Spiegel.

*Electronic Attendance:* None.

*Not in Attendance:* Mike Montgomery; Eileen Galoostian.

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

*In Attendance (Public):* Kathleen Light (SS-B-114).

**1. Welcome and call meeting to order at 5:31pm.**

- a. Review of August 19, 2019 meeting minutes: Larry corrected page 4, first line, 'share' to 'shares'; page 8, remove parenthetical explanation regarding draft encroachment letter to resident that was not sent to resident. Bob added word "ordinance, date unknown" on page 8. Bob's other comments were included in Pending minutes.
- b. Approval of minutes: Larry motioned to approved August 19, 2019 meeting minutes as amended which was seconded by Suzanne. Support was unanimous.

**2. Public Comment:** Kathleen Light (SL-B-114) expressed an interest in status of well meters community-wide. Her neighbors have not installed meters while she has, to great expense to avoid the threatened penalties. Vince stated, they appreciate her efforts and the meter enforcement is on the agenda tonight. Several board members responded the meters are required by law and are very important. Larry moved to end public comment.

**3. Administrative and Financial:**

a. Staff Reports:

1. Wildfire Mitigation Update: Marla met with Brant Lucas with the Park City Fire Department (PCFD). Based upon his review of the conditions of Lewis Park, he recommended we create a 20-foot wide firebreak for the short-term. Lewis Park requires significant effort to reduce its flammability. Travis Wright has a really big chipper which we need. **We need to reach out to the Forest Service to see if they can help us spring 2020.** It is important that we get a turnaround at the end of Summit Dr within the Lewis Park boundary. That is the most fire-defensible location. Unfortunately, it is rock. We have an application for a new home at the end of Summit Dr. The top of Cottonwood is not suitable for fire trucks. We are anxious to see Lot 192's proposed driveway. **Marla will continue to pursue this.** Larry noted, the community will not support a 20-foot trail, fire break, in the middle of Lewis Park. Suzanne observed, the community will mobilize to help in order to avoid implementing a fire break. Vince stated, the State issues firewood collection permits. Suzanne noted, it's just for deadfall. **Larry replied, we need to develop a program.** Vince and Suzanne agreed.
2. Water System: Marla obtained a copy of the 2014 Silver Bullet tank inspection which is circulating. The tank received a poor grade in several areas at that time with a recommendation to repair immediately. The water committee is meeting tomorrow with HAL to discuss the report and develop preliminary prices on repair alternatives such a liner, epoxy as well as a complete replacement. Our current tank is not up to current seismic standards and it cannot be retrofitted.
3. Propane: Eileen H stated, Bob said it would be a good idea to identify the location of the propane tanks within the Service Area. The PCFD told us they would like to include this information in their fire plan if we would provide it. The County building department collects this information but does not share it with the fire

department who has not asked them to do so. Larry stated, this is not within our jurisdictional charter. Vince agreed. Marla suggested the Service Area write to those most affected soliciting this information. Larry replied, he thinks the fire department should write that letter. **Vince stated, we have enough stuff on our plate and the board agreed, this is an issue for the fire department.** Larry stated, we should not be doing the fire department's work.

4. **UASD Conference:** Marla stated, the information is provided in the board packet. Larry has signed up. Larry recommended this to Carol to participate on November 6<sup>th</sup> to get needed Board training. Marla stated, earlier registration has passed, and the next deadline is October 11<sup>th</sup>.
- b. **Board Member Election update:** Eileen H reported four candidates have timely filed for a position on the board fulfilling the exact number of openings so we may cancel the election.
- c. **Tax Rate increase update:** Marla stated, when the County sent our tax increase notification to their vendor to perform the printing and mailing something went awry with the software. The County double-checked the names of our residents for accuracy in the mailing but not their address. We received many calls from concerned residents alarmed when they received the notification at their property address but with a different property owner name on it. We offered reassurances and publicized a way they could verify for themselves on Nextdoor as well as an explanation. The County rectified their error swiftly and we remain compliant with State timeliness rules. Bob stated, he didn't realize that we would not see this tax increase revenue until 2020. Larry stated, the County collects your taxes in arrears.

Marla presented a 2020 budget spreadsheet. The green line includes the proposed tax increase. It is not the full \$140k because the State Tax Division representative Joshua Nielsen said \$140k is more than we will ever get approved. This way we can ensure you get the maximum amount available to the Service Area. Therefore, Marla has budgeted for \$130k. We are expecting almost \$318k in December 2019. Larry observed, you would expect our revenue to increase as property values increase but that isn't happening. Is that called equalization? Nathan replied, he thinks that is correct. Vince stated, Summit County assesses the value of your home which is not necessarily the property value. Construction costs in Utah in the last few years has increased 30-40%. The availability of contractors is limited. Marla replied, airport construction has had a huge impact on the construction industry. Vince stated, the tax increase is doable for most people but not those on a fixed income. **He requested that Staff reach out to the County for ideas on tax relief.**

- d. **SCSA#3 financial and dashboard review:** Marla presented the dashboard stating we don't have to increase our budget. Larry stated, we should be looking at ways to manage our expenses. Marla replied, we are going to spend less in road manager fees and payroll in the 2019 budget. We will continue to look for ways to save. Bob stated, we have money set aside for long-term projects that hasn't been spent. Can we use that money? Marla replied, the Wasatch Way project is using some of our long-term project money. Larry noted, we only have \$80k; that is widow and orphan money. Marla replied, Bob is referring to our PTIF of \$122k. We have not taken money out of there. Bob replied, we should take a look at using some of that money. Suzanne asked, to pay for Wasatch Way, do we take it out of Capital and move it to General? Larry replied, we are going to have to. Marla replied, right now, it has come out PTIF 850. **Larry wants to cut costs, such as in the professional area, to avoid using the \$80k reserve. Bob agreed, we should look at those areas of our budget that is more flexible.** Larry asked, how does deferred billing work? Marla replied, we recognize the money spent in the year it was spent.

Marla stated, the water budget appears decent. Larry replied, except we have a big expense coming up. Bob replied, we don't have a lot of money in PTIF. Marla asked, Nathan have we finished the water rights project with the State of Utah? Nathan replied, no. We filed the application, it's been published, and we haven't finished the protest period. We are a couple of months from approval. As a public water supply, you don't have to *prove-up* your rights. You have four years to hold them. We have a number of these rights that we may want to prove-up, get the certificates and be done with it. It is fairly common for districts to not prove-up. **Larry replied, let's get that done. Bob agreed.**

Marla stated, other than the three very large overages, we are doing well in receivables.

Marla reviewed the “Well Classifications” on dashboard. Of the wells on our water right, there are 135 wells without meters and 33 wells on standby without meters. We don’t keep track of personal water right wells on the water line. Larry stated, if it’s not our water right, we shouldn’t be concerned about them. Vince agreed. Suzanne asked, did we pay for their Beacon? Chris noted, we are paying .89 each month for each Beacon to transmit. We could charge them an additional \$12. Suzanne asked, did we pay for the meter? Chris replied, as far as he knows, we charged them for the meter. Marla stated, some may have gotten their meters elsewhere. Chris noted, someone got a Hersey meter which is incompatible. We have a large number without meters.

Larry asked, why does Xpress Bill Pay have \$56k of our money? Marla replied, we receive interest on that, it is in our account and it is insured at Zion’s Bank. If we keep \$25k, our fees are reduced by about \$70. Marla will review automatically transferring everything over \$25k. **Vince and Suzanne stated, anytime you reconcile, move the money.**

e. Invoice Review: done.

f. Franchise agreement review: Larry asked, who wrote the Agreement? Nathan replied, the County did. It would replace the ordinance, date unsure. Larry stated, he has some concerns. It appears they are trying to re-write our entire charter. They include provisions requiring us to dissolve in 60-days. **Vince stated, this warrants a deeper discussion. Larry agreed.** Nathan replied, you should consider this agreement within the larger context of ROW enforcement. SCSA3 Staff has requested the County enforce their code. The County his questioning their obligation to provide code enforcement, within the Service Area, of the County’s Code. This is at the heart of many of your issues – that people want the Service Area to act as a City. Larry replied, he is willing to consider it. Nathan stated, on the one hand in the proposed franchise agreement there are all these other requirements which are fairly normal for a franchise agreement for one entity using another entity’s roads but when it comes time to get support from the County to enforce against the encroachments that we don’t have police power to deal with, then we see a lack of will power on their end. This is a policy decision for the Board; there isn’t anything in there that is illegal. Larry stated, it’s just a bad contract. Nathan wondered, is this an opportunity for the Service Area, through amending this agreement, to propose language obligating the County to provide code enforcement and adjudication? **Larry requested that Marla provide the Board with a copy of their signed franchise agreement with Mountain Regional.**

g. Safety Deposit Box resolution: Regarding the Wells Fargo account application, Larry stated, this opens a small business credit line and gives our personal guarantee. We should be using a “government account” with Wells Fargo. Everyone agreed, we shouldn’t sign an “open” agreement like this.

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

a. Republic Services winter pick-up: Marla communicated the Board’s decision to Republic Services about the winter pickup. They responded they would like the Board to reconsider and would like to meet with the Board. **Larry directed Marla to invite Republic Services to the next Board meeting.**

b. Other Road work review: Marla reported, a resident thanked us for moving the gravel. The County issued a statement about the proposed connector.

1. Marla reviewed the communication with Jeff Jonas. He would like to meet with us to share their point of view. Nathan noted, he doesn’t understand why they want it to be a public road.

2. ROW update: The County attorney Helen Strachan believes enforcement is our job. **Vince requested Marla reach out to Derrick Radke.** Nathan stated, you operate under statute. SCSA3 doesn’t have the authority to enforce County ordinances and provide administrative relief. Discussion about the franchise agreement may be the place to bring this up. **Larry and Vince requested a future discussion about what becoming a city entail. Larry stated, we should also have a discussion with Tom Fisher, the County Manager. Vince agreed and wants to include Derrick.**

3. 204 E. Westwood Road (SL-C-133): Marla reported the County Code Enforcement Officer stated, their fence encroachment is a safety hazard due to creating visual impairment and a collision hazard. Chris stated, it is an

obstruction of the ROW. Marla stated, the fence encroachment near Lewis Park will be relocated next spring. Nathan disclosed, he worked with the Farrell's attorney Eric Levy, 12 years ago. A ROW for roadway purposes cannot have a fence in it. Chris stated, survey markers are present. Suzanne asked, why this property and why now? This side doesn't have the trail. They say the fence has been in place for 56 years. Nathan replied, it doesn't matter; under Utah law, prescriptive easements do not apply to land dedicated to public use such as a platted road. Marla replied, encroachment at this location is a safety issue. Vince suggested staff create an 'encroachment priority list'. Marla replied, we have one. Nathan stated, we don't actually have the ability to do anything but facilitate a resolution. They can't sue us because we can't enforce anything. At the end of the day, the property owner needs to discuss this with the County.

4. *Silver Creek Rd:* Larry noted cracking along the road edges. Suzanne asked Chris, is there anything you can do? Chris replied, probably just a latex overlay, to keep the water out. We will have potholes because there are sub-issues there. Suzanne stated, we need to maintain it such that people are not swerving. Chris replied, the pulverization and overlay are doing good. Larry stated, he can see that whole hillside coming apart this winter. We need to mitigate that. Suzanne asked, what will it cost to do a latex overlay? Off the top of his head, .50-.75 cent per sf. Latex is not like chip seal. It's like paint. **The board agreed, that's cheap. Larry noted, we must get through the winter that way.**
5. *Raised crosswalks on Wasatch:* Larry asked for status of raised crosswalks. Chris replied, Marla and he met with Advance Paving last week and they are preparing a schedule for us. Larry asked, what is the delay? Marla replied, contractors have been busy with other projects.
6. *Bus stop crosswalks:* Larry asked, will they be installed when Silver Creek is finished? **Chris replied, yes. If he can get some paint, he will roll it out with Larry's help.**

## 5. Water

- a. Arsenic Study and water projects funding update: Marla stated, the water committee is meeting tomorrow morning. We are addressing the issues with the Silver Bullet water tank. We obtained a copy of the 2014 tank inspection report. There were issues at that time that should have been addressed and weren't. Those issues are now exacerbated driving up the cost. We have received some bids which we will discuss with HAL. She is seeking bids on tank replacement due to seismic deficiencies. Bob affirmed, we have the option to just repair the existing tank. Marla stated, one bid is just for the liner and the other will sandblast and coat with an epoxy. Suzanne stated, if we must drain that tank to perform the work, our reserves go away so our ability to run both wells will need to be coordinated with the State. Marla replied, any plan will require approval by the State. Vince stated, if we are looking at replacing the tank, should we consider other factors such as a new higher location or another solution to maximize the value of the tank? We only use 30% of the stored water, so he would rather consider alternatives such as pump location or something else. **If we can get an additional 20-30 years out of the tank through resurfacing and just add a booster pump to maximize available water for the same amount of money, that is his preference. Larry agreed.**
- b. Utah State Division of Drinking Water: Marla reported on a meeting with Jennifer Yee of the Division of Drinking water. They are eliminating the point system. Nathan stated, he has worked a lot with Marie Owens. The Division of Drinking Water has the authority under the Safe Drinking Water Act which is a federal law. Utah's point system has become inconsistent with the Federal point system which contributes to an inaccurate portrayal of violations. Marla stated, our score is a negative 15 which is very good, but the point system is being phased out to improve transparency. Some water providers were able to disguise serious problems by playing a point game. They plan to inspect the Silver Bullet sometime in the next 2 years. We were informed of additional tests required which have been ordered and results received. No traces of the tested substances were found.
- c. Requests for relief:
  1. Account #10028600: Larry stated, he was under the impression we had a system in place to catch these leaks. We can notify the homeowner and if they aren't home, we can shut the water off. We spent \$100k on a monitoring system. Chris stated, it doesn't notify me unless the homeowner sets it up to do so. We can also

log on to check for leaks. The homeowner sets the threshold of the number of gallons leaked that triggers the notification. The homeowner can set up the notification to come to me as a few people in the community have done who are out of the country. We can also log on and look at who has had continuous water usage for 24-hours. Larry suggested, invest in a low-cost computer to create in an office monitoring station. **Vince directed Chris and Marla discuss ways to monitor this and present the Board with some options. Tabled.**

Eileen H stated, Staff does not have a list of criteria to determine any value less than the .75 allowable relief. **Vince directed staff to develop a checklist to present to the Board.**

2. Account #10046801: *Tabled.*
3. Account #10048701: Leak under deck seems to be approved but no vote taken.
4. Account #10050820: Eileen H referred to the Staff Report which states the leak was due to their contractor error. Vince replied, he doesn't approve this request. It is not the Service Area's responsibility when their contractor causes the leak. This is between the property owner and his contractor. The homeowner should seek relief from their contractor or their insurance. Larry agreed but is willing to reconsider relief if that doesn't work. **Suzanne summarized, so in contractor-caused water-relief request situations we want the homeowner to seek relief from the contractor first. Marla and Bob added, then settle with insurance. Suzanne agreed.**  
Larry asked, don't we have a system in place to catch this? Marla replied, this one didn't have a badger meter, but it does now. Chris stated, this property was one of ten meters with unknown locations.
5. Account #10070300: *Tabled.*

Other water issues: *Well Meter Update:* Suzanne requested an update on the upper-area well meters. Marla deferred to Nathan regarding a letter and a process for getting the meters on the wells. Nathan stated, he wrote a draft letter a while ago. There was discussion about the right tone and approach. **Suzanne replied, we want to send out another reminder.** Nathan stated, it's a lot harder when it's their individual well. In the original letter, we threatened that the Service Area would withdraw our water rights from use on their well which would require a change application. He suggested a letter stating "hey, we own this water right. We've given you ample notice to install a meter. You have not done so. We are hereby instructing the State Engineer that we no longer authorize you to divert our water right under this well until further notice." Just because the State Engineer's change application approves it, doesn't mean we necessarily allow it. Filing a change application and revoking it will take years to accomplish and is not worth it. We need to come up with another mechanism. We could say in our letter, "either you install the meter, or the Service Area will and charge you the cost". That's easy when we can access the water main in the ROW but entering private property makes it more difficult. Vince suggested the first approach and add a due date, i.e., June 1, 2020. Suzanne remarked, we need to give them time to get a contractor. Vince asked, can we attach a penalty? Nathan replied, yes, you have already done that. The original letter contemplated a penalty of \$150. Vince stated, we have sent a letter and residents feel we are not going to act. He suggested, the final letter will withdraw your right to use our water right and/or we will charge you \$150 per month until you install a meter. Suzanne stated, we should just withdraw the right. If we want to penalize them, we have to contend with the accounting etc. Let's just make sure the resident's failure to install their meter is something we can report to the State Engineer for potential future enforcement action by the State. That should wake people up. Nathan replied, no, because the State could come down on us. **He wants to call Michael Drake at the State Engineer's office for feedback.** Ideally, we would like to say "we sent you a letter in 2016 and it's been a number of years. You haven't contacted us for help, we have no record that you have installed the meter. Please install a meter or give us the documentation you have done so by a certain date. If, however, you do not do it by that date, we will notify the State Engineer that you are no longer approved to use our water rights and we will instruct the State Engineer to take appropriate action". Frankly, the State Engineer's office doesn't appear to take enforcement action. We don't want to make a threat unless we know how the State Engineer will respond. **Suzanne stated, we should find out if we can record the loss of water right use with the title office** because that will affect their ability to sell their home. Nathan agreed. Chris stated, we should take into consideration that we

currently are collecting \$2,500 and most of those people don't even care at the time they are selling their house, so a financial penalty seems ineffective. Suzanne replied, that is why preventing them from selling their house until it is resolved would be the most effective. Chris stated, he prefers a set sum similar to what we charge at closing that's big enough that people won't forget about it rather than a monthly charge.

Larry motioned to move into voting which was seconded by Suzanne at 7:29pm. Support was unanimous.

#### **6. Voting**

- a. Invoice approval: Larry motioned to approve the invoices as presented which was seconded by Suzanne. Support was unanimous.
- b. Tax increase: Larry motioned to approve Resolution 2019-07 Ad Valorem tax increase which was seconded by Suzanne. Support was unanimous.
- c. Election cancellation resolution: Suzanne motioned to accept Resolution 2019-05 to cancel the 2019 Election, Larry seconded. Motion supported unanimously.
- d. Franchise Agreement approval: tabled.
- e. Safety Deposit Box resolution: Suzanne motioned to accept Resolution 2019-06 as written which was seconded by Larry. Support was unanimous.
- f. Other matters discussed: no items.

Larry motioned to adjourn the open public meeting and move into closed session to discuss potential litigation as per Utah Code 52-4-205-1c which was seconded by Suzanne. Support was unanimous.

#### **7. Closed Session to Discuss potential litigation Per Utah Code Ann. § 52-4-205(1)(c)\***

Larry motioned to move into closed session to discuss **potential litigation Per Utah Code Ann. § 52-4-205(1)(c)\*** which was seconded by Suzanne. Support was unanimous.

#### **8. Closed Session to Discuss potential litigation Per Utah Code Ann. § 52-4-205(1)(c)\***

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

9. **Adjournment**: Larry motioned to close the Public Board Meeting at 8pm and begin the Public Hearing which Suzanne seconded. Support was unanimous. Doors were opened to welcome the public.

**PENDING PUBLIC HEARING MINUTES  
OF  
SUMMIT COUNTY SERVICE AREA #3  
BOARD OF TRUSTEES**

PUBLIC HEARING HELD IN THE OFFICES OF SCSA#3 at  
629 PARKWAY DRIVE, PARK CITY  
SEPTEMBER 23, 2019

Summit County Service Area #3 Public Hearing convened immediately after a regular meeting of the Board of Trustees on September 23, 2019 at SCSA3 offices. The Public Hearing commenced at 8pm.

*SCSA #3 Board of Trustees:*

**Present:** Vince Pao-Borjigin, Chair; Suzanne Carpenter, Vice Chair; Larry Finch, Clerk; Bob Olson, Treasurer; Carol Spiegel.

**Absent:** Mike Montgomery, Eileen Galoostian.

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

Public in attendance: see attached sign-in sheets.

**PUBLIC HEARING REGARDING AD VALOREM TAX INCREASE**

SCSA#3 Board of Trustees Chair Vince Pao-Borjigin opened the public hearing for the Proposed Ad Valorem Tax Increase on the Service Area's line item stating it is not a percentage increase on your overall property tax. The Board provided the following statement:

*"The Service Area Board is considering a potential ad valorem tax increase that would exceed its certified tax rate to account for the increasing costs of maintaining and operating the roads in the Service Area. The proposed tax increase would represent a 44% increase in ad valorem tax revenue and would provide approximately \$140,000 in additional revenue that the Service Area would use to improve roads within the Service Area. The average tax increase would be about \$105.59 per year for a home valued at \$422,000, while the increase would be about \$191.99 per year for a business valued at \$422,000. The Board last approved a tax increase in 2006."*

Marla Howard, General Manager, explained Service Area #3 contracted with LTAP, through the University of Utah three years ago, who are graduate engineering students under the supervision of a PH.D Engineer. They assessed all the roads within the Service Area, categorized them, assigned a rating and provided a budget and maintenance schedule. As you know, we recently worked on Wasatch Way with a price tag of \$120k. She placed on the screen a list of the remaining roads awaiting improvements in the very near future in order to meet the maintenance schedule prepared for us by LTAP. Furthermore, we are finding that costs have increased up to 30% more than the expected budget. This is due to airport construction which is dominating the availability of contractors in Wasatch and Summit Counties but also all of Utah. The Service Area has not had a tax increase since 2006. We went through a process with the State of Utah to come up with the final recommended tax increase. Based upon this, we developed a recommended budget. This doesn't have anything to do with water. We do not commingle the water and road funds. Our proposed budget is based upon tax income of \$317k. We do get Class B road funds. Larry added, that is your gas tax money. Marla added, that tax money is based upon our miles of paved roads and passes first through Summit County. Vince added, we are responsible for the maintenance of 27 miles of Service Area roads. Marla stated, we rely upon tax revenue and Class B road funds which are diminishing.

Larry stated, under tax equalization, as property values go up, our percentage is equalized or flattened to provide the same level of revenue to us more or less. Local jurisdictions can't enrich themselves from property value increases. Since 2010 our tax revenue has increased no more than \$40k. The proposed tax increase will be permanent and will be applied to road maintenance each year thereafter. We cannot maintain our roads even at a minimal level without this tax increase. This tax increase will allow us to collect an additional \$140k each year. Vince added, we receive complaints about our road conditions daily. Costs have risen up to 40% in some cases and we haven't seen a commensurate increase in our revenue since the last tax increase 13 years ago. We are residents here, like you, so we are very sympathetic. We are also very concerned about our residents on a fixed income. But if we don't raise the funds to sustain minimal road maintenance the cost to rebuild the roads will be astronomical. This board as the fiduciary responsibility to maintain the roads.

Linda Miller, M.D. (Highfield Rd) stated, she is sympathetic to the board, but she has a proposed increase of 12% from the school. She just moved here from a high-tax state to get away from high taxes. There was an increase last year in other line items. She is fearful her taxes will double in five years. Can there be a more gradual increase this year? Larry replied, we are all in the same boat and we must figure out a way to row the boat. We went out to bond which would have really raised some taxes, but it didn't get approved. Then, we made the decision to adopt a system of 'pay-as-you-go'. We now have almost 460 homes in the community, so traffic and other demands have increased. The present residents have a different set of wants and expectations from the Service Area as it was 25 years ago. They are asking why their road isn't paved. We maintain 27 miles of road for less than \$500k per year. The snow is plowed in a timely manner here, even on the more remote roads. You can get in your car at 7am and go to work on a snow day.

In 2001 or so, we went to Summit County to request our share of the road tax money. At the time, it was about \$30-40k. We have grown that to \$100k. The first part of our plan is to figure out how to maintain what we got because we can't maintain the roads with the current revenue. We budgeted \$90k for snow removal and in a poor snow year, we move that leftover money into a capital reserve project fund and that's how we have completed upgrades and improvements. Our roads manager has been able to get free rotomill, which we oil, and it works well for a couple of remote roads. As traffic demand increases, these 'bootstrap' solutions are not going to work. We are planning to take \$80k from the gas tax money and bond with it. The bond will give us \$700k, depending upon how much that money costs us to borrow for 10 years, with the \$80k used as the annual repayment amount.

Vince stated, to put this in perspective, if snow removal is one-third of our budget, what does that leave us to maintain the roads? So, raising the tax 5% does not get us sufficient money to stay on top of road degradation. Once a road deteriorates – that road needs to be completely redone from the ground up at a cost of up to \$1million.

Ron Jensen, Silver Creek Road, asked how much damage does the heavy truck traffic cause to our roads? There must be 20 trucks each day going through the intersection of Redden Rd and Silver Creek Rd. What is the mechanism to add some charges to their building permit for their impacts to our roads? Vince replied, yes. Ron asked, do we receive compensation from Red Hawk for their Silver Creek Road use? Vince replied, yes. We are not an HOA so all of the roads are public and as a public entity we are limited by law and statute. Ron asked, can you ask the County for funds for those people using our roads? Vince replied, when this area was accepted into the County it was under the condition that the community take care of its roads and trails. This goes back many many years ago. Utah is the number one road state in the nation right now. The cost of living, construction and materials has gone up. We can't continue to offer the level of service with the roads without this tax increase. If you say, 'let the roads go to crap', you won't be able to drive your horse trailers on it without being bumpy and muddy, we can cancel the tax increase but it will progressively get worse and not maintain its current condition.

Speaker #4 added, said another way, your saying your current level of taxes isn't adequate to maintain the current road condition? Larry replied, exactly and Vince replied, correct. Another speaker asked, the road deterioration is due to masses of people? Larry replied, road use; roads deteriorate. Vince replied, the population has grown. Between the families expanding and the amount of new construction, road use has gone up. We do get some fees to help with this, but it is not enough.

Greg Holbrook (Lot 128) asked, would it be possible for the Water Fund to loan money to the Road Fund? Larry replied, no, those funds cannot be commingled. Marla replied, we would have to get permission from the State of Utah to do so. Larry replied, the water system has unique problems of its' own, so we are looking at capital spending on that side of the house. It's a health issue and the intrinsic value of our neighborhood and the unique way our water is structured is something we need to protect and manage more carefully than the roads. Vince stated, the Silver Bullet needs to be replaced ASAP and it will cost at least \$500k. We have an arsenic problem with one of our wells which will be in the seven-figures. Larry stated, the reason we develop money in the water department is because we count capital depreciation into that account. It accrues a lot of money over a period of time because it will incur big expenses for infrastructure

replacement. We have a water quality project that we are trying to complete. The RFP's came back at 40% more than we were told by the engineering estimated. In fact, they usually come back 10% less than the engineering estimates so we tabled that project and we are in the middle of evaluating vendors for an arsenic treatment plant for the Greenfield Well. With the building and the other infrastructure, we anticipate the cost to exceed \$1million.

Emily Huser (1151 Crescent Dr N) asked, is there a way to do a 20% increase now and 20% next year? It would be easier to swallow in smaller bites. Is that possible and by what process could it be done? Larry replied, we would have to do this process twice. Vince replied, we really do need the money all at once.

Howard Phillips (Lot #191) stated, he hears that you really need this, but he asked, "why today"? Why not two years prior or two years hence? Why is this something that you need to effect today? Is it just because it's business as usual? Vince replied, no. Three years ago, in 2016, we realized as lay people, and not engineers, we knew our roads were falling apart. All of the board members are volunteers. Choosing which roads to fix weren't always the wisest decisions because we didn't know better. In 2016, we reached out to Utah State University, to give us a full assessment of the roads. The determining factors included: inventory, mileage, conditions and surface. For the first time in SCSA3's history we actually had science and engineering behind the decision-making for the roads. We realized, in the last couple years, that the vast majority of our roads are this close to being complete failures requiring complete rebuilds.

Mr. Phillips restated, the vast majority of our roads are failing? Suzanne replied, yes. They give one year of life. Each section of road is given a defined life span. Mr. Phillips replied, he is not a roads engineer, but a 10-year resident. It used to be rotomill up to the top of Silver Creek Road. He is accustomed to the potholes here and they just make us go slower. So, when you say 'failure' and we are 'this close' and 'this must happen now' you are presenting this in an alarmist and extremist way. You want to address a shortfall and the roads in a methodical way. You had the estimate done three years ago. He believes it should have been sent to all residents. It seems to him, you are convinced it is the right thing to do to take this tax money and implement this plan. As a resident, we can say we trust you 100% or we can say "we don't trust you and vote you out". Or can we say, is this the only way to go about business in a rural community like Silver Creek? Do we really need to do what the "kids" at the University say we should do in order to have lasting roads as opposed to something we know as rural community residents has served and worked for us? He stated, he is not putting his head in the sand. In this case, he stated he is concerned about the 'alarmist' attitude including the claim that we have got to put cul-de-sacs at the end of roads, or they won't be safe. When he hears all of that, reflecting upon his 10-year history with the community, you are changing the nature of the discussion about our roads and their condition. He requests the board not pursue the 'beauty package' which is making all the roads asphalt except for a few. Vince and Larry replied, it is not a beauty package.

Speaker #4 asked, what roads are absolutely in need of repair right now? Marla replied, pointing to a map, the redlined roads are a must right now. The orange-lined roads have two years of life. The yellow-lined roads have 3-4 years of life. The blue-lined and green-lined roads are good. Larry stated, that does not necessarily mean we are going to go in and re-do Aspen Lane to a 4" thick asphalt. It mean rotomill, oiling and chipsealing.

Scott Werrett (Lot #145) asked, regarding maintenance, is part of the money for additional new paving of roads that are currently unpaved? Or is it just maintaining what we have? Larry replied, if we don't bond, the \$140k will just be applied to maintenance. As we save money out of the budget, we throw that into a capital account and that is how we were able to get part of Silver Creek Road done last year. That is how we got Wasatch Way done this summer. We save that money up and we get to the road improvements. The challenge we have, and Larry has been here since 1997, he has watched the growth from dirt roads and heard the discussions. What we had 10-years ago in 2009 is not what we have today. There is more traffic. There are over 3,000 cars a day driving down Silver Creek Road. We are getting built-out, but we are still a rural community. As neighbors, what do we want to accept? He lives in the lower section, 5 minutes from the freeway but a lot of people are up top and the road is rough. It's difficult to get vehicles up there in the winter. This is the feedback we get. As residents, the nature of the community has changed a little bit. He is happy that we are not putting down mag-

chloride on 15-miles of road anymore. We put mag-chloride on the last 6 miles of dirt road for dust control which meets the air quality standard. You don't want to be sitting in your home breathing that. He is happy we haven't had tax increases for 13 years. The water is not a tax. Water is a separate discussion. Your neighbors pay for their water rights so it is not a tax. This tax increase is not a last-minute concept. We have discussed this over several years.

Kathy Light (611 Westwood Rd) stated, we own two properties in the Service Area. One is a vacant lot. She asked, what was posted all week in the mail center listed a desired increase in Ad Valorem Tax Revenue of 20.9%. Light stated, the 20.9% is not what was mailed out. Why was it 20.9% at the beginning of the week and now it is 44%? Marla replied, an incorrect notice was posted. Nathan replied, the mailed letter stating 44.4% is correct. Two notices were posted on the Public Notice Website: one with the incorrect percentage and a subsequent correct posting of 44.4%. They were both posted on time. Legally, everything was posted properly. There is not requirement to post it at the mail center. Marla stated, the Public Notice in the newspaper was correct. Nathan stated, the 20.9% was a place-holder number for the purpose of formatting the document and was never the number under discussion.

Speaker #5 stated, is the idea to raise the tax rate so that you can back a bond and then complete everything on this list? Vince replied, the tax rate is intended to add to our overall budget and the only way we can do that is to raise taxes. Speaker #5 asked, so you are not using it to secure a bond? Larry replied, no, but with the Class B Road Funds we are going to back a bond. Speaker #5 asked, so the bond will cover additional work on the roads? Larry replied, yes, what you see on that list. It is a rough proposal. The right thing to do would be to have that hearing and if it passes, we should have a neighborhood meeting and discuss what we want to spend that money on. We don't have to bring the money down. We don't have to spend all of it.

Julia Collins (Lot #147) asked, can we just build on what you were saying? You have discussed a tax increase to cover your maintenance. Larry replied, our operating expenses. Ms. Collins continued, you are asking for a voter-approved bond to cover improvements or are you just bonding for the money that would be coming from the Class B Road funds? Larry replied, it would not be voter-approved; it would be board-approved because we would not raise your taxes to float the bond. Ms. Collins clarified, so you are using your Class B Road Fund revenue over 10-years to be able to (garbled). Larry replied, yes, and that will get us \$600-700k. Ms. Collins stated, we can understand the maintenance arguments. Those goals are easy to accept. However, the improvements are more challenging to accept. Everyone lives on a different road here with different preferences. She observed with surprise when lower Westwood Rd was paved and the last thing she wants to see are surprise improvements. She is nervous the improvement decisions will be made at a future time. After the Board has emphasized engineering and the science, they appear to have left out community input on these decisions. She prefers to have a dirt road because it is also the trail and it keeps access to Lewis Park. It is really special. The last thing she wants is to come home to is the surprise of her road being wider and paved. She likes the bumps because it discourages speeding and interfering with the horses. She stated, at least once a year she goes off the road. Mr. Olson has said she can always park on his lot and walk home. That happens. The garbage truck falls over and blocks the road and it brings our neighbors together. This is what makes our community special. She finds the word "improvements" alarming because it means higher speed. She realizes, this isn't the same board composition that approved the paving of Westwood Rd. She recognizes the Board appears more professionally managed but she is hesitant about the implications for her community and that is why it is hard to swallow this large tax increase. It seems like such a big jump. She wants a way to sustain road maintenance but continue the conversation where we discuss what the improvements will be and look more at keeping these costs down. She wants to sustain the current character of the community.

Linda Miller, MD (Highfield Rd) stated, she agrees with Ms. Collins. She is happy with her dirt road. Please leave us alone. Her son, who moved here for the dirt road, will move. Marla replied, she spent 30 minutes with a resident recently who begged her to pave Highfield Rd. Vince replied, he also moved here for the rural character and the bumpy roads. The Board seeks to find that middle ground between air quality safety and dirt roads. Marla stated, we have been working with the Park City Fire Department (PCFD). Some of these recommendations came directly from them because they are concerned about their ability to fight fires which includes your homes. We are trying to make our community safe. Larry

replied, that goes to the cul-de-sac discussion. Speaker #6 asked, what are their concerns? Vince replied, the PCFD is concerned about the steepness and condition of some of the roads especially in winter. We have been working very closely with the PCFD. You remember last year, up in Tollgate, they have some grave concerns given we are a rural community of their ability to stage their vehicles in some of the potential hot zones they have identified. The International Fire Code dictates the sizes of the turnarounds and things like that including road condition. We are trying to balance all of these goals with safety being our primary concern. Fire risk has been increasing along with the rising temperatures.

Ms. Collins stated, she would like to know the criteria for allocating and prioritizing road improvements. Is it life cycle, maintenance, access, number of residents served? She wants to see your methodology in justifying the improvements and the money spent. She wants residential notification and comment opportunities to be a part of the decision-making criteria. Vince replied, that is great feedback and we want to ensure it occurs. Many of you realize, over the last couple of years, the Service Area has strived to meet the expectations of the State of Utah for a government entity.

Dr. Miller stated, the total estimated cost of the road projects is \$690k. If you are collecting \$140k per year for a 5-year project...Marla interjected, these are the projects we would fund via the bonding on the Class B Road Funds. Vince stated, the tax increase is for operating expenses such as maintenance. Larry stated, if we don't bond and we save money, because the hill needs to be done. That is \$130k. That road is deteriorating on the sides. The road is going to fall apart over the next couple of winters. That is a priority because of the traffic up there. That is a project that needs to be accomplished in the next 2 years. Dr. Miller stated, the tax increase is just for maintenance? Larry replied, what ever we can save over and above our operating expenses, we roll into a capital account. Mr. Phillips stated, so we shouldn't even be looking at this road list then? Larry replied, part of that could, over time, get saved to do these projects. Mr. Phillips stated, so you are asking for a tax increase for possible projects and not because you need them. Larry replied, yes, we are asking for the tax increase because we need it.

Mr. Phillips asked, can you talk about the specific big-ticket items that cost so much that you need the tax increase? Vince replied, the first thing is snow removal which is 1/3 of our budget. Every winter we get complaints that more plowing is needed. We have 27 miles of roads and the plows can only do so much per hour. It takes a while to cover all the areas. As you can see with maintenance where snow removal eats up 1/3 of our budget...if we end up with a winter like last year, we are going to be in the hole 2 years in a row just on our snow budget. As a fiscally responsible government entity, we have got to balance that. Unfortunately, we can't really save a whole lot. We have to identify all our monies and where they will be spent. This is the way the State makes sure that we are not just charging money to build up a big piggy bank. We can only keep a certain amount in reserve above our annual budget. Many of you have seen the road conditions and shared complaints with us, and Chris, our Roads Manager, is constantly coming to us with needs for road repairs. The hard part is to be in a situation where we have only \$50k left in the budget for road maintenance. How do we prioritize? No matter what we do, we are doing a much better job than the Service Area has done before. Yet, no matter what we do, half the community will be happy, and the other half will not be happy. In applying engineering principles, we are removing personal bias and strive to make smart science-based decisions. We want to engage the community more. In the past, we know residents have awoken to find road equipment on their street. He strongly acknowledges this concern. We have been working very hard over the last couple of years to get done what needs to get done for the State, so we are in compliance as a government entity. We have also implemented policies and procedures, the rational, for how we make future decisions.

Suzanne stated, in answer to the question on how the money will be spent, another piece is trails and Lewis Park. Because we are barely covering the basics, there are projects that add value to the entire community for which we have no funding.

Dr. Miller asked, are there grants for any of these things? Vince replied, unfortunately, our zip code puts us into one of the most expensive areas in Utah – Park City. Suzanne replied, yes, we have done two grants. . We are reaching out for grants but they usually require matching funds. Dr. Miller offered to develop grants. Vince replied, we would love that. Dr. Miller asked, can you project how much of the bond money you would assign to trails? Can you say for every dollar spent on road improvement, X dollars will be spent on trails? She would like to see a way to safeguard what makes us a rural

community. Vince replied, that is something that we are actively working on. To give you an example, we had the fire wardens go through Lewis Park to evaluate its' potential for wildfire. They are saying we need some work. There is so much deadfall fuel in Lewis Park that it is now a longterm project. Because of it's proximity to many of our homes it is something we need to make fire safe. Some of the money will be applied to maintaining the trails in Lewis Park to make it firesafe.

Ms. Collins suggested the Board sponsor a survey detailing the proposed projects and inviting the community to indicate their preferences. The residents should have the opportunity to rank the proposals. The residents will feel heard and the Board can feel more confident that their decisions also reflect the will of the residents. Suzanne agreed. We wanted to be responsive to the fire concerns in Lewis Park but more critical was the removal of the old fence posts and barbed wire. We had five skilled workers here for a week. We thought we could get it all done but were only able to complete 2/3's of the work. There are those types of projects that we want to fund, we talk about it and get it started but never get them done because of money. Vince stated, for the first time the Board is finally in a position where we can give options. Now that we have the science and engineering behind it and we have more meaningful data we can share, we can have more community input. We can ask how does this effect you? We can have a conversation that gets everyone on the same page. The map we presented offered a good visual for the roads that need our attention. If we continue to neglect our roads, the cost to restore will be prohibitive.

Vince stated, we have a new Board coming on January 2020 and nothing is going to get done this year in terms of road construction. We will create a plan with our Staff and then get community feedback. We encourage you to attend our Board meetings especially when the published agenda lists an area of concern for you. We encourage feedback which you may give to Marla Howard, General Manager who is a full-time employee and Eileen Haynes who is part-time at our permanent office location where we are meeting now. Or you can email the Board directly. We are here to take care of you.

Marla stated, we are planning to have an open house on a regular basis. We had one last summer where we actually presented our road map and we also had representatives from PCFD that talked about the fire danger here. We would like to interact with our residents and get feedback but that also requires attendance by community members. We are planning to do a survey but, the sad fact is, we do only have email addresses for 20% of our customers. We get a fair amount of letters returned as undeliverable so we know our records need to be updated. We also found out Summit County sometimes doesn't have accurate or current addresses.

Andrew Martin (Whileaway Rd) asked, when you refer to the Silver Bullet, you are referring to the water tower? Vince replied, yes. Mr. Martin continued, regarding the bond, the purpose of the bond is to get a big chunk of money, all at once instead of \$80k per year, to spend on projects? Vince replied, correct. Mr. Martin stated, he came to the meeting very opposed to the idea of paying more taxes but based upon what he is now hearing, he has reversed his opinion to support the tax increase. He is willing to pay more. He agrees it's important to protect our investment in the roads. He has lived in the Service Area since most of the roads were dirt and he loves his paved road. He is a biker so paved roads are important for him. In some ways, you could argue, this is progress but he is aware not everyone agrees with him and others would prefer all dirt roads so they can ride horses. This is an irreconcilable debate because of the split in the community. We need to protect our investment in the already-improved roads. It would be stupid not to do so. Even though he understands we haven't had a tax increase in 13 years, it is hard to digest a 44% tax increase in one year. Maybe we would be more tolerant if the tax increase had been 10% each year. But given where we are right now, it seems like this tax increase is needed.

Linda Kelsch (Lot 30) stated her family has lived in the area for 40 years when there were only 20 only homes with very primitive dirt roads which were very hard to drive on. We served on the Board for a number of years in the beginning of the Service Area. Linda was the Board Secretary while her husband was a Board member. Linda expressed her appreciation to this Board. She has attended Board meetings consistently for the last 2-3 years and she has observed amazing progress in attendance and dedication to taking care of the neighborhood. She appreciates that the Board members

are volunteers and acknowledges their hard work. There were years where nobody would come to the meetings. This Board is consistent and very organized. She really appreciates all this Board has done. She has observed the Board discussions and she returns home feeling the Board has really risen to the challenge and are fulfilling their commitment to the community. Thank you. She values the clarity of communication regarding the purpose and use of the tax increase. The Board has worked for years on this and you are now at a point where you can take action. You do have your ducks in a row.

Speaker #3 stated, she seconds the appreciation. To work for something for the community is one thing, but these persistent tax increases outside the community such as the schools...she would appreciate an opportunity to discuss them. Bob replied, they do have meetings on all tax increases. Marla stated, you can find advertisements in the Park Record. Vince suggested she enroll in alerts with Summit County.

Mr. Martin observed, where the sewer line was put in and the road was repaved, he observed the area was clearly not compacted and asked, did the Church pay to fix that or did the Service Area pay for that? Vince replied, we originally paved Silver Creek Rd. Then, the Church requested permission to cut the road for a sewer line. It is interesting that a private entity put in public infrastructure which generally doesn't happen. Through that process there are work quality issues and we continue, to this day, attempting to sort it out. The condition of Silver Creek Road is not ideal and at some point, will get resolved. Larry stated, we have a surety bond in place and we have not extended a warranty.

Ehlias Lewis (Lot #45) stated, you are 100% over budget on your date and the budget was \$78k...Marla replied, she would like to answer this question. We collect our taxes in December and we pay in arrears. Even though we have to budget for the entire year, all of our funds come in December. Mr. Lewis asked, so you are only proposing a \$6k increase for road maintenance next year? Marla replied, we are proposing an increase... road maintenance is going to be \$80k. Larry replied, last year's budget was \$77k. Marla replied, we have a line item for some capital work. Larry replied, in government accounting, we have separate capital from operating. Right now, we only have \$82k in reserve. We did Silver Creek Rd and Wasatch Way. We are going to do some raised crosswalks on Wasatch Way. We are striping all the way up Silver Creek Rd. We need to come up with \$130k for pulverizing and paving Silver Creek hill to restore the cracking on the edges. Our Road Manager is developing a mitigation plan to protect it as much as we can over the winter and do the job property next summer. Mr. Lewis stated, the maintenance you are talking about is to strengthen the road, but it has to be identified as capital. Larry replied, we count road maintenance as potholes, dust guards, grading, striping, and anything that is not going to last.

Ms. Collins requested, can you do the same exercise for the trails? Larry replied, we don't have the Trail Capital Plan presented here but we have the beginnings of a Trail Capital Plan. Part of our challenge is dividing the money between trails and roads. Ms. Collins asked, what is the priority? Larry replied, we are trying to maintain the trails we have. Basin Rec built a nice trail through the neighborhood, but they won't maintain it. He suggested concerned citizens go to the Basin Rec meetings and ask their board why they won't support the maintenance of the beautiful trail they installed in the Service Area. Vince stated, some of our trails were installed with grant money and volunteers. We probably put in, and just guessing here, we probably put in \$300k-\$500k towards trails using grants, volunteer labor, material donations and only \$40k of Service Area money. One of our challenges with trails, and we are employing the same exercise as for the roads, we want to be smart about trails. We just don't want to keep throwing up trails that go nowhere. We are actively analyzing trails for multi-use such as equestrians, walkers, children, and bikes and for connections to the wider community as well internally. Obviously, the roads were the priority because of their condition but we strive to maintain the trails we have.

Ms. Collins stated, you guys are amazing and she recognizes the Board's hard work and the results they achieve and the extent of the issues they are addressing is beyond what she could have imagined. Thank you. She came to the meeting in an upset frame of mind about the tax increase but sitting down and hearing about the Board's plans and work accomplished

and just understanding has made a difference. She said she would spread the word to her neighbors about what is happening and this is where we are at and if we don't do it we will go back to dirt roads.

Suzanne stated, the LTAP Study is available for the public to review on the SCSA#3 website where you can also see the Traffic Study and Sign Study. We are starting that same discussion on trails. We have recently reviewed the old trail (TPAC) documents. The former longterm goal was to try to put trails besides every road but why would we build trails when we don't have the funds to maintain our roads? First, we need to complete a Trails Plan which would include the important connections so that we have loops where we need them as well as functioning and well-marked trail heads that include good signage. There are a lot of things we would like to get to but we are struggling to get the funding to get those other projects done.

Ms. Collins asked, the larger community seems to be confused about the purpose of the tax increase. Do you have a way to communicate to the larger community the things you are saying tonight? Vince replied, that is a good point. We have started to include notices with the water bill. That is good feedback for us. **Suzanne stated, we can add information to our newsletter.**

Dr. Martin asked, does the Service Area have anything to do with the connector road? Vince replied, no. Larry stated, the connector issue is not under our jurisdiction. Dr. Martin stated, she thought we might because it is coming through the community. Bob replied, that hasn't been determined yet. The County is working on that and everyone can provide the County with their input. They will make a decision after they review all of our input. Vince stated, he moved to the Service Area because he loved the rural character but as the area has grown, from an emergency service standpoint such as fire, ambulance and police, there needs to be an additional ingress and egress so when a health and safety crisis hits the community this connector road will allow two fire stations to converge on the area to help us regardless of what is happening on I-80. Currently, if I-80 was shutdown during a community emergency, which it does a couple of times per year, all the semi-trucks converge at our local gas station and on Silver Creek Rd. This glut would impact the ability of emergency services to reach us and for us to leave the community. It slows response time immensely. Not too long ago, when I-80 shutdown, we had semi-trucks parked up and down both sides of Silver Creek Rd all the way up the road. It was so congested, no one could get anywhere. The connector road will be a benefit to the community as a safety net. Unfortunately, some people aren't going to be happy but it is a great benefit to the community as a whole. The Bitner Fire Station will have direct access to our neighborhood without having to jump on I-80 and tangle with the Kimball Junction traffic.

Ms. Collins asked what are the next steps? Larry replied, we have to close the hearing and take a vote. Ms. Collins asked, is there no other alternative in terms of incremental tax increase? Larry replied, we looked at that option but going through the process and the expense as a volunteer is time consuming. We almost had a riot when we went through the process to raise water rates. We weren't prepared for that. Vince replied, the LTAP Study was completed three years ago and many of the roads had a 1-2 year life span at that time so we already missed the recommended window for refurbishment. We are in an urgent situation. We need to address the long-term road issues comprehensively and at once. Suzanne replied, it's also trails and other items. We have so many projects and problems to weigh and discuss but we haven't had time to pursue funding.

Speaker #7 asked, your roads are in different degrees of disrepair? Vince replied, correct. Speaker #7 asked, do you have a priority master plan? Vince replied, our first step is to evaluate whether we can first extend the life of a road. We know getting the capital is not going to occur over night. The bonding process is time consuming. Larry replied, we will have a public hearing when we bond the Class B Road Funds. Hopefully, we will have an open house before that and do more outreach. Our biggest concern is the day-to-day maintenance and squeezing out more money so we can pave the hill and chip seal here and oiling over there. He wishes we didn't have to bond but it's a good use of the funds and it will expire in 10 years. He really appreciates the input tonight, but he remains convinced this has to be done. We need to and want to do more community outreach. We really want to hear our neighbors tell us what they want before we go to bond and before

we spend the money. When we get the money, why wait? We are paying interest, so it behooves us to get the projects done. Vince noted, things are not going to get cheaper as time goes on.

Vince stated, we have talked about creating community sounding boards on various projects and get more community representation to help guide our thought process.

*Larry motioned to move out of Public Hearing Comment and into Voting on the Tax Increase which was seconded by Suzanne. Support for this motion was unanimous.*

Vince opened the floor for discussion and comments from the Board regarding the feedback given tonight. Bob stated, if we support this tax increase the Board members will be paying for the increase as well. We will share in this burden with the community. Bob has great faith in our legal representation by Nathan Bracken.

Nathan presented the Board's Tax Increase Resolution and he read it aloud. Nathan recommended the language be changed from "Road Improvements" to "Road Maintenance". Larry suggested 'maintenance and improvements'. Nathan also changed the description to 'maintain and improve' Silver Creek roads. Vince stated, he learned during the Public Hearing that residents expected this Board to function similarly to Boards of the past with poor transparency in spending. He believes we achieved successful communication with the residents who attended the meeting tonight who have a greater comprehension of why we need the tax increase. He suggested the public left the meeting with greater trust in the operation and management of the Service Area. He told those present he has directed Marla to reach out to Summit County regarding their tax relief programs as he is very concerned about tax increase impacts to our fixed income residents and to provide that information to our residents via our newsletter. **Suzanne agreed and directed Staff to find out how often the relief limits are assessed.** Nathan incorporated these concerns into the Resolution.

*Larry motioned to approve the Tax Resolution 2019-07 as amended which was seconded by Suzanne. With no further discussion approval was unanimous.*

**Larry requested that Staff place a notice on Nextdoor for all residents of the Service Area to let us know their preferred mailing address, phone number and email. Suzanne stated, part of our 2020 plan is we want to be able to survey residents via email. Vince suggested we include this request in our invoices. Suzanne requested Staff place an article in the newsletter requesting updated information for the purposed of sharing updates and soliciting public comment.**

Larry motioned to closed the Public Hearing which was seconded by Bob. Support was unanimous. The meeting adjourned at 9:47pm.