

Summit County Service Area #3
October 21, 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; Bob Olson; Larry Finch; Carol Spiegel.

Electronic Attendance: Suzanne Carpenter.

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): Scott Sharp (SS-18-D); Tim Anker (SL-F-334); Linda Kelsch (SL-A-30); Republic Services Representatives Reese Demille and Dennis Chatwin.

1. Welcome and call meeting to order at 5:32pm.

- a. Review of September 23, 2019 meeting minutes: Larry asked why there were no minutes from the September 23, 2019 Public Hearing on the Ad Valorem Tax Increase. Eileen stated, she recorded and posted the audio recording of the meeting, but she was unaware minutes were required. Nathan recommended that the Assistant Clerk include the Public Hearing minutes into the minutes of the Public Board Meeting.
- b. Approval of minutes: Larry motioned to table the approval of the September 23, 2019 meeting minutes in order to include the minutes from the September 23, 2019 public hearing.

2. Public Comment: Scott Sharp (Lot SS-18-D) present to observe.

3. Administrative & Financial:

- a. Staff reports (road bond, water bond): Marla stated, she would like to move forward with the road bond and asked how long does it take? Nathan replied, it depends. The Service Area is the 'issuer' while another entity provides the money. There are only two entities who will do this, Zion's Bank and Lewis, Young, Robertson and Burningham, Inc. (LYRB). He recommended the Service Area prepare an Request for Proposal (RFP) for the financial services aspect. A legal firm is needed, and the firm must be in a special book in order to do legal work on this bond. Smith Hartvigsen is in the book, as is Nathan. We do three or four each year. Nathan's partner David Hartvigsen has the most experience doing bonds. Nathan offered to be the 'issuer's Counsel'. He would review the documents and affirm their adequacy. You will also need a Bond Counsel who works closely with the bank to prepare most of the work. Nathan can do both of these with the approval of the bank or you can find a firm who specializes in bonds. The smaller the bond, the easier it may be to have one attorney handle both. **The first step is to recruit the financial team and do what they recommend.** Smith Hartvigsen will be cheaper than any other bond counsel. Zion's Bank also has a price point more suited to smaller governmental entities like the Service Area and they are great to work with. John Bronson is the main representative at Zion's.

Larry asked, do we pay for both sides? Nathan replied, the cost will be worked into the bond. Larry asked, how do we evaluate a bond proposal from an RFP standpoint? Nathan replied, you are looking at the financial services provider. Who is the most qualified? What experience do they have? They are not the bond, they're the people that put the bond together. Larry asked, they sell the paper? Nathan replied, yes. The financial services provider structures the money source. Most of the bonds associated with Smith Hartvigsen have been water bonds. Most local districts don't do roads. Water bonds can be gotten from a number of state programs, such as the State Revolving Fund (SRF) which would go to an attorney, Bill Prater, who is on contract with the State of Utah as their bond counsel. Nathan doesn't know funding options for roads, whether private or public, but that would be criteria included in the RFP. Public funding has more strings attached which, in some cases, can increase the overall cost and add limitations to spending. In general, however, the private market will charge higher interest.

Larry asked, does the Service Area use Summit County's rating? Nathan replied, the Service Area is not part of the County. You are a separate stand-alone government entity. If the County is backing something, then maybe.

Usually, he would say 'no' as in the example of water infrastructure, because the Service Area owns their infrastructure. However, the County owns Service Area roads so Nathan stated, he would need to think a little bit more about that in terms of bonding for property that another entity owns. Vince asked, should we reach out to the County to discuss? Nathan replied, yes, you should talk to the County first since it is technically their property. Vince stated, since the County owns the property, perhaps they would be our partner with the bond.

Nathan stated, we did water bonds with a road component last year for some towns in Duchesne County, Utah. The water infrastructure was going into the roads and, as the issuer's counsel, we had to define whether we owned the roads or had permission to use the roads. Usually the question is answered by saying you own the roads or have easements to them or have plats, so we don't need any further approvals to do this because they are ours. In this context, we might need to get additional approvals from the County. Either way, he recommended the Board start the discussion with the County first before you do anything further to ensure there aren't any issues. Vince directed Marla to begin the dialog.

Larry stated, we went to a public vote twice for bonds for between \$8-10million. He doesn't recall if they approached the County. Nathan replied, he is cautious. He doesn't want to get this process started, spend a lot of time and money and then have there be some issue with the County. A simple call to the County costs us nothing. Larry stated, he prefers to work outside County government. Vince stated, the roads are under our charter but the roads we are improving belong to the County.

Nathan asked, who is Hansen, Allen and Luce (HAL) anticipating the audience for the bond will be? Who will they submit the application to? Marla replied, Superior Tanks will provide the tank specifications to the Division of Drinking Water and they will work through the approval process with us. Nathan stated, the attorney Bill Prater will be bond counsel and Smith Hartvigen would be the issuer's counsel. Usually the bond counsel prepares most of the actual paperwork, whereas issuer's counsel does most of the reviewing. \$10k seems more than ample.

Larry stated, Park City was able to go to the State of Utah and get deferrals for their Three King's treatment plant. It lowered their cost and expanded their timeline. Marla stated the life of the bolted Superior tank is 30-years.

Vince stated, should discuss this further with Michelle De Haan, Park City Water Quality and Treatment Manager.

Larry stated, other than the tank, there is no real urgency to move forward with any of these projects. Our Greenfield well's operating license is good for a period of time. We don't need to get this done in 2020. He recollected, we have been discussing having the arsenic treatment plant online in 2021. Is it worth to take more time to do more research and find out what Park City did, go to the State and find out all of our options? We are in the same income bracket as Park City. We are not going to qualify for low-income or rural. Vince replied, even though we are of the same strata as Park City, we are still rural.

Nathan stated, he assumed you are talking about the State Revolving Fund (SRF) which is a federal/state program. The Safe Drinking Water Act is a cooperative piece of legislation meaning it is a federal law, but it is administered by the State. The point of the Drinking Water SRF is to provide a source of funding to help public water suppliers, like the Service Area, comply with federally mandated standards. SRF's were originally envisioned to work with the federal government providing a certain amount of corpus money for each state and the states would distribute the funds using low-interest loans or grants to low-income communities. The Service Area would be considered for low-interest loans. SRF's are supposed to be self-perpetuating as communities repay their loans. The problem is the federal requirements cost significantly more than what was appropriated to fund the SRF's, which makes these funds not very self-sustaining thus requiring more appropriations from Congress. Unfortunately, Congress uses the SRF's as policy tools and attaches strings to them which make them more difficult to use such requirements for green infrastructure and buy-American. The States have been picking up some of the slack. Grants from the SRF's usually go to the most disadvantaged communities. The Service Area's best option is a low-interest loan with flexible terms which is available to everybody regardless of your income level. The purpose of the SRF's is to help the Service Area comply with federal mandates.

Larry stated, it would be worthwhile to contact Park City Municipal to find out what they did to lower costs. In his opinion, the Service Area will not get a break on the money like we did with the Westwood Rd waterline project. That was a gift. Vince stated, you never know. Larry stated, we need to put this into the Capital Facilities Plan; we can call it 2020 but we don't have to do it in 2020. He asked Marla, if we move ahead with the bond, we don't have to bring those funds down right away? Marla replied, correct. Larry continued, so we can do the water tank then fire flow then the other things as we peck away at this. Is that correct? Marla replied, yes.

She will find out the timeframe for how long the loan can remain open before you have to close. Marla reported, Michael Grange with the Division of Drinking Water said, always apply for more then, you can close for less.

Larry asked, once we close, the interest begins? Marla replied, yes. Vince and Marla agreed, we better have a plan ready to go. Larry stated, we don't want to borrow it too early. Vince replied, we may have to anyway.

Larry stated, the arsenic treatment plant is the furthest out, possibly in 2022, fire flow is ready to go, and the water tank could be a 2021 project. Two years is not a lot of time.

Vince asked, how receptive was Park City Municipal for an easement? **Marla replied, Corey Legge, Public Improvements Engineer, was very receptive to a discussion but it might take some time to achieve.** We have to get estimates for piping and easements for access. We have 10-foot easements along every property line. Larry observed, those are utility easements, so we have to be delicate with that. Marla reported, there is a lot for sale right now adjacent to the PC Municipal lot and it is a landlocked parcel past Beehive Dr. It drops off steeply to I-80. We can access it off of Highfield Rd or one lot off of Whileaway Rd. **Vince stated, he wants to research the elevation gain in order to reduce the size and be less of an eyesore.** Larry commented, if we are going through someone's lot, we need to be sensitive to the property owner. Vince replied, the piping will be a straightforward process. Chris pointed out, the location of water line on a site plan and a possible base location of a new tank which would be nearly at the same elevation as the top of the Silver Bullet Tank. He pointed out the location of the Silver Bullet affirming, we own that lot. He estimates we need approximately 300-feet of water line.

Larry asked, if we tear down the Silver Bullet Tank what do we do with the land? Do we sell it? Vince replied, we need to hang on to our property. We sold too much too fast in the past. Marla stated, we sold several lots on Wasatch Way and a Beehive Dr lot. Larry suggested we table the idea for now, but a sale could pay for a significant portion of these costs and get us another customer.

Vince directed staff to follow-up with the County, PC Municipal and the tank company .

- b. Revisions to roads and water policies to address nonresidential development: Nathan stated, the Service Area was primarily built to be a residential development and your policies are primarily, if not exclusively, suited for residential development. Over the last two years we have been updating your policies on a stop-gap basis to deal with issues as they arise. For example, we had to amend the water policy to account for residential users whose water needs exceed their allocation. Most water suppliers, in that situation, have a water dedication process where the homeowner purchases water rights and dedicates them to the Service Area. We have made some changes, but we need to do some significant fundamental changes to your water policy to update them, in particular for commercial use. He has done extensive editing of the water policy, but it has been on hold pending completion of the water rate study. The rate study was completed for residential use, but we are waiting for commercial use portion. For the roads policy, we consolidated everything together under one policy, but we are still trying to figure out the road fees. That will require a public hearing. He is raising this now is because he predicts more conflict in future commercial development. When a commercial project is submitted, they are trying to apply our residential policies to their commercial venture. We need to get that commercial rate study done and follow-up with Rural Water to get it done. **Marla replied, we have left Curt Ludvigssen many messages and we have spoken with his colleagues at Rural Water. We are going to have to use other means to get his attention.** Nathan continued, when a commercial project comes in, we take it on a case-by-case basis which is a fine approach to take but the Board has indicated they are interested in developing a standard commercial rate.

Nathan stated, the fees for roads are flat fees that everyone pays regardless of the size of their development. Those price levels were set for residential development. Right now, it is a \$3.5k deposit and \$1.5k non-refundable Road Usage fee which applies to residential and commercial development without consideration for their size.

Essentially, you are transferring the cost of the commercial impacts to the residential users. Your fees are not set-up in a way to account for this disparity. Several fairly large commercial developments are being proposed. We need to spend some time getting a rate structure in place to be able to respond to imminent commercial applications within the year. Marla replied, we will discuss one such application during the closed session. Nathan stated, he would like to get the road usage fees in place now. He wants to avoid a situation in which a commercial development comes in and creates \$100k is usage impacts to your roads and only pays \$1.5k. Larry agreed.

Bob stated, we have homeowners who operate a business out of the home. They don't pay any fees to us like those paid to the County. If the County gets a McDonald's, they might charge them \$90k before they start construction. Why can't we, when a business applies for a license with the County, have some additional fee associated with the types of business that they have? Nathan replied, we could. Usually roads are something that a County or a City would provide. They have police power and all sorts of other means of control. The Service Area can charge fees. The way a development usually works in an unincorporated County, a commercial developer submits a development application to the planning department who in turn distribute it to other departments for their review and comment. These departments send their comments to the assigned planner stating the impacts and the fees or charges they would like to see come into the County to mitigate those impacts.

The situation with SCSA#3 is, the County approves these projects and then these applicants come to the Service Area. There is a fundamental systems problem here. **There needs to be greater communication between the Service Area and the County. Ideally, they should include the Service Area in their initial distribution of a new application as if the Service Area is one of their departments like Public Works or Fire and that isn't happening. Bob replied, correct.** We have always had difficulty communicating with the County on any subject. Vince stated, things are improving. We have access to the permit system, and we can continue that dialogue. Larry stated, it's an E360 process (Summit County Plan Review Portal). He is going through that right now. Does a commercial developer use that same process? In Larry's opinion, it has a residential focus. Our power lies in giving access to water. Unless they want to hook up to a spigot, a commercial developer has to come to us. A lot of times they come to us late in the process. Nathan replied, and that's the problem because by that time they have spent tons of money getting their application ready for the County and they are not even aware or cognizant of the Service Area's needs. That is his concern in dealing with the roads. They have paid all sorts of fees with the County and then they come here. Larry replied, that's what bothers him here. The County built all of these commercial buildings in here and kept all the road impact fees not giving any to the Service Area. Nathan stated, and that's the point; they are paying impact fees, but they are going to the County and not to the Service Area. We need to adjust your usage fees. We also need to be prepared for the fact that it's going to be problematic if the applicant pays duplicate fees.

Larry asked, how do we go forward? We have talked about this a lot. **Nathan replied, you need to have a conversation with the County particularly regarding roads.** For water, we need to get the commercial rate study done. It would be great for the them to coordinate but at the end of day, we have more leverage with water. We either have the water or we don't. For the water policy, all we need is for the commercial rate study to be done so then the Board can tell Nathan whether we want to follow a case-by-case process with each applicant or we would prefer a commercial water rate in which case he will need to revise how the current policy is structured.

Larry requested that Marla poll Mountain Regional's rate structure and policies. Marla replied, the E360 process has commercial elements. Larry requested Marla reach out to Marti Gee, Assistant General Manager at Mountain Regional and see if they will share their commercial water rates and policies and get an idea of their decision-making process. Marla agreed. Vince stated, let's do the same with Park City.

Nathan stated, do you want to continue in your current case-by-case process, do you want to make some adjustments, or do you want to do a commercial rate study? He needs to know. **Larry replied, we need the commercial rate study and a case-by-case.** The rate study is 'you hook up, you pay us 'x'' each month and it doesn't include any water. Depending on what that entity is, they start paying for water. Whether it's a building like this with 10 people flushing the toilet or something else. Vince replied, we need to set some parameters if we go the case-by-case route. Larry agreed. Vince stated, we can simplify it with a simple grid and where do you fall in. We do have to think through that a little bit. Larry stated, the same way with the road impact – let's go to the County and to Park City and find out what their process is. We shouldn't have to reinvent this. **Nathan replied, we need to figure out rate study questions for water. For roads, that is more of a conversation with the County about the need to coordinate better. In the meantime, we have got some commercial projects, and unless you make changes, they are only going to pay \$1.5k.**

Vince asked, do we want to have a work session of the Water Committee? Larry replied, let's get the information then let's set a date for the water meeting. That's seems easier than the roads. Nathan stated, we are further along on the water. We did consolidate your roads policy. As you know, we updated everything but the fees. We also should address how may a commercial proposal access our roads to build their infrastructure which was the case with Mountain Life Church. Clearly, we can enter an agreement but, in the future, we want to have a specific process for how that is going to happen. Larry replied, he has a vacant property across the way. For water, he wouldn't mind ceding that to Mountain Regional but that is another discussion. Roads are different. Part of that road is County and part of that is our road. **Vince stated, he would like to invite Staff to investigate and report back to the Board with their recommendations.** Larry stated, Pat Putt is the Planning Manager. Marla replied, County impact fees are high for both commercial and residential. **Marla stated, she will reach out to Marti Gee at Mountain Regional.**

Carol asked, are Service Area fees based upon the project size? Marla replied, no; the County does, the Service Area doesn't currently. Larry replied, whether you build a house or a commercial store, you pay the Service Area a flat \$1.5k just like you were going to put a driveway in. Vince stated, we are getting big enough and the impacts are getting bigger, so we really need to address this. Marla stated, we do have a proposal on the roads.

c. Republic Waste: Reese DeMille, Municipal Contract Representative for Republic Services managing the Summit County contract, introduced Dennis Chatwin, Operations Manager for Republic who manages operations in the Service Area. Reese stated, his biggest concern is safety. We want to provide our driver's a safer way to pick up garbage. We have had a financial burden in the last 3 years of over \$9,000 in towing charges for towing our trucks that have gotten stuck in the snow. This figure doesn't include the towing costs associated with diverting our own vehicles to aid trucks that have gotten stuck in the Service Area. We have done this for years, but we feel we need to make our drivers safety concerns a top priority. Our driver's do not feel safe in the winter on some of the Service Area roads. Vince asked, have you addressed the problem that your drivers do not chain up when they are supposed to? Dennis replied, last year all of our drivers were chained up and they still slid and got stuck. Vince stated, some of the trucks were not chained up last year. Larry agreed. Dennis replied, yes, some. The worst accident last year was when our driver slid off the road. He was chained up. Vince asked, why don't you use the small 4-wheel drive vehicles? Dennis replied, we only have one and in winter that truck is assigned elsewhere. Also, it's a small truck without the capacity to serve this area. Vince asked, why don't you get more of those trucks to serve mountainous areas? Reese replied, we also service other mountainous areas with centrally located dumpsters to which our customers bring their garbage. Vince replied, he understands their point of view, but they have a fiscal responsibility to service our area. The Service Area is willing to work with you, but we are not doing all the work for you. Reese replied, that's fine. We will purchase other vehicles in the County's willing to pay for that. The cost will be passed onto your residents. These trucks cost over \$275k and only work two months each year in one location. Vince stated, that was your decision to accept the County contract to service our area. Reese replied, we also service other areas who understand it is not safe to service individual homes and those customers bring their garbage to a centrally located common dumpster. Larry stated, the prior vendor provided adequate service with whatever equipment they had, and they didn't have these kinds of problems. Republic parks Red Hawk's dumpster in our public civic center where our mail center is located. We are not paid for providing this service. You pay no rent. He is concerned about the safety of our residents dragging trashcans uphill in the winter. We have older residents and he can't imagine our board member, Bob, dragging his trashcans down the road. In Larry's experience with government contracts, you don't go back on the agreed upon service level. What is the service level you agreed to? Reese replied, our service agreement states we will safely collect the trash in whatever way we need to in order to be safe. All of our contracts in all other areas and governmental jurisdictions accept that we will not service a street until it is safe to do so. We will not tell a driver to provide service to an area that he feels is unsafe. That is unfair and unwise and will cause us to lose our drivers. Larry replied, the prior vendor had a smaller four-wheel drive truck which serviced Red Hawk and the backside areas where you are currently having trouble. Reese replied, that was 20-something years ago when the population was much smaller. He reiterated, if the County wants to reimburse us for the cost of a truck for the Service Area, we are willing to do that. Larry replied, we have improved our roads. Many are paved now but there is, otherwise, no difference in the topography. Our winters are not as heavy as they once were. He is not willing to ask our residents to drag trash cans up the hill. That is a safety issue too. In summary, our previous vendor was able to accommodate us when we had mostly dirt roads in stronger wintery conditions plus you are getting free rent from us. We have to look at those dumpsters which despoil our community entrance. Vince stated, those dumpsters cause the Service Area maintenance problems.

Bob asked Larry what he meant, pulling trash cans up a hill? Larry deferred to Chris. Chris replied, Republic met with the Service Area where they proposed locations for open-top dumpsters throughout the upper section of the Service Area such as the intersection of Silver Creek Rd and Meadowview Dr as well as at Redden Rd and Silver Creek Rd for residents of Pace Rd, Highfield Rd and Crescent Dr where your driver's are having issues. Several years ago, Republic Services sent us another operator who performed the trash pick-up and we did not have very many of these issues. What are you doing differently? Have you changed direction in the problematic areas such as going up a steep hill, stopping for trash and then spinning your wheels as you press forward? He is aware of this occurring. In that situation, Republic previously had the residents pull their cans across the road from their driveways where Republic picked up the trash as they went downhill. For the rest of the winter season your driver was successfully able to pick up trash. Your trucks have gotten much larger since then. Reese and Dennis agreed their trucks are larger. Chris continued, because your equipment has changed, such as a lower wheelbase and a larger, heavier truck, you have created an issue. Yes, your drivers chain up, but those chains aren't effective because you also changed the balance due to changes in your wheelbases. Reese replied, we haven't changed them much but yes, our trucks are larger and heavier.

Chris stated, a couple of years ago Summit County's Public Affairs Officer, Krachel Murdock, sent out notices on snow days informing us of non-service due to wintry conditions and posted a new pick-up date with a different smaller truck. At the time, was your four-wheel drive truck on a route or available to provide adhoc services?

Reese replied, did the notice state the pick-up was with a smaller truck or did it state the pick-up would occur when we could get there? Chris replied, the small four-wheel truck was the truck that came out. We know he had to make several trips to dump his collection. This system worked well for our residents. They were not upset by this disruption. This is the arrangement the Service Area prefers. We haven't changed; Republic has. Most, if not all, of our new construction has occurred in the lower sections of Silver Creek and not on our troublesome streets. We would prefer you delay pick-up until you can do so safely.

Dennis replied, we can't always use the four-wheel drive truck as it is on a regularly scheduled route. Chris asked, did it have a route a couple of years ago? Larry stated, he agrees with Chris; **delay pick-up even if you have to do so for two or three days.** Chris stated, the day last year when your truck slid off the road was a snow day and not a regular day. Dennis replied, another time wasn't a snow day; it was due to ice. Chris stated, Cottonwood Trail is a dirt road which actually has more traction than an asphalt road in an icy condition. Bob stated, that accident occurred in front of his house. That day was very icy, and he feels icy conditions should be treated as a snow day. **He is supportive of a delay.**

Reese stated, the issue is we don't know when the snow weather is going to occur and the next day our drivers have a full route in a different area, so they are not available for a make-up day. Vince replied, don't you have contingencies built-in for this issue? **He suggested Republic meet with Chris to hammer out a solution that you can live with that doesn't include placing dumpsters in the Service Area.** Like Chris said, there was a time when Republic didn't have any problem servicing our community. Our responsibility, as a board, is ensuring our community is well serviced. We understand your safety concerns but if your drivers are making poor decisions to provide trash pick-up service under conditions your truck can't handle, such as on a bad snow day – that decision is on you and not on us. We are willing to help convey to our resident's changes such as the need to put out their cans on the other side of the road. Your proposal to place dumpsters around the Service Area is difficult to sell or accept due to the extensive unsightly issues it would cause our community such as trash dumped outside the dumpster on the ground and outsiders illegally dumping their waste.

Larry stated, the character of this neighborhood has changed. You don't see pick-up trucks anymore; it's a neighborhood of BMWs and Porsches. These are multi-million-dollar homes. Where are we going to park dumpsters? We don't have any property in the upper sections to place a dumpster; only the ROW. He agreed with Vince that dumpsters are unsightly and require maintenance. There is a better way to solve the problem than to place dumpsters around our community.

Nathan asked, is the plan to place dumpsters in key intersections around the upper lots? Reese replied, Lewis Park has room for shared containers as does Westwood Rd and Cottonwood Tr. Nathan asked Chris, would these be in the right-of-way (ROW)? Chris replied, except for Lewis Park, the proposed locations would be in the ROW. The ROW is not that wide and there is not a safe level surface due to ditches and brush. There are no locations like the mail center. Nathan stated, this is a concern to him. We have to legally be able to place the containers. We don't have any other land or common areas in the upper section. If the Service Area had common areas, there would be a sound legal basis for putting the containers in the ROW, which is reserved for public road use, and it especially conflicts with the efforts of the Service Area to clear ROW encroachments. It would push more people into the road. Chris stated, another suggested location was at the end of Silver Creek Rd at Tollgate Rd. We truly don't own that.

Larry stated, Republic is doing a great job. How can we fix it? Reese replied, we can continue to work with Krachel Murdock, Summit County Public and Community Affairs Coordinator, on communicating when we can get up there. Our goal is to try to stay with schedule as much as we possibly can to reduce the burden on the residents who may have to wait 3-6 days for pickup. The containers would give them an option. In Island Park, we take our trash one mile to a container. Larry replied, that is a legacy situation. He owns property at the top of Weber Canyon, and we haul our trash down to shared dumpster. Reese replied, that is so they don't have to wait for a truck after five feet of snow. Larry asked, do you have dumpsters in Summit Park? We are no different than Summit Park. Dennis replied, we do curbside in Summit Park. We follow the County snowplows.

Vince stated, Republic is doing an amazing job. He can understand where you are coming from because those areas have higher density with a higher payout. The Service Area is more rural but considering we have had amazing service in the past, even though it has fluctuated a little bit, he doesn't feel that is the responsibility of the Service Area. Larry stated, we contract the snowplowing in the Service Area. We are a government entity. We can be responsive to requests to provide extra snowplowing or to apply sand to a certain road. Vince agreed, that is easy for us to do. We know that Tuesday's are our service days and, quite frankly, if we are snowed in up here so is everyone else. Reese stated, we will continue to communicate with Krachel. It doesn't benefit Republic to

delay service. Our week is booked out. We are leery because of some of the close calls that we have had here. Fifteen years ago, we had a fatality and we are still paying for that from a public relations perspective. It wasn't our fault, but it is hard to recover from that.

Larry stated, our snowplow contractor lives in the Service Area and keeps his equipment here. Chris stated, this contractor lives on Highfield Rd. Reese noted, that is the one that is always plowed. Chris stated, members of the County Council have told us our roads are plowed quicker and better than the roads serviced by the County. Please communicate with us knowing that our 26-miles of roads is usually to a higher standard of snow removal than the rest of the County on a snow day. The Board and Staff thanked Republic for coming.

- d. Proposed adjustments to 2019 budget: Marla stated, we must have a hearing to discuss and adopt the budget. We also need a hearing to review and amend the 2019 budget. Larry asked, does the amended budget spend more money? Marla replied, we are not going to spend more money; it's just going to fall into different buckets. Bob replied, we have the right to do that. Nathan cautioned, it depends upon which bucket you are moving it from. If you have one bucket for one issue and you move it to something similar within the bucket, you don't need to do a public hearing but if you are moving it from Bucket A to Bucket B then you do. Nathan stated, it depends upon how you initially structured it. For example, if Administration is one bucket and Roads is another, you can only move money from Administration to Roads with a public hearing. However, if in the Roads bucket you have snow plowing and road maintenance, you can move money around without a public hearing. Marla replied, that is the scenario that applies to our budget amendment. We will not need a public hearing. We are not spending as much in administration and salary. The total dollar amount spent remains the same, it's just the allocations within the administrative categories and within road categories.

Larry stated, he reviewed the amended budget and it looks fine to him. Bob stated, he has no comment. Suzanne stated, we were thinking about doing an inventory of the well meters in the upper sections and make an effort to ensure the continued installation. Larry replied, that would be water, not general. Suzanne replied, are we talking about the General Fund or the Water Fund budget? Vince replied, just the general budget. Larry stated, he doesn't think we have to go to a hearing for the Enterprise Fund. Bob agreed. Suzanne replied, okay.

- e. Tentative 2020 budget and scheduling of public hearing: Marla stated, our suggested date for the Public Hearing is Monday, November 18, 2019 which is our currently scheduled meeting date. Marla will not be present on that day due to her daughter's graduation. Vince stated, he is out of town that week. Bob stated, we had better reschedule. Marla stated, the next weekend is Thanksgiving. Vince asked, should we do it the week before? Marla replied, we can have the Public Hearing provided we have at least 4 Board members present. Larry stated, there is nothing earth-shattering on the agenda. Marla stated, the 2020 Budget that was discussed and presented at the last hearing obviously has to remain unchanged and it does have to be approved. Eileen H stated, the Monday prior to November 18th is Veterans Day and the Monday after is the week of Thanksgiving. Bob, Carol, Suzanne and Larry will be present on November 18th. Marla stated, she will call in to the meeting, but she expects the meeting will be straightforward and include taking questions. Larry motioned to vote on the Public Hearing date. See item 6.h.
- f. SCSA#3 financial and dashboard review: Larry requested an update from Nathan regarding proving-up water rights. Nathan replied, he wants to wait for the Change Application. It can be a difficult process to 'prove-up' from municipal water rights. That's why most don't do it. He recommended, let's do it all at once. We have 22-acre-feet we are waiting for. The protest period ended without comment so he expects it will be approved. Proving-up is largely an engineering exercise, not legal.

Larry requested an update on Parleys Rd road vacation. Have we met with the property owner of LDRS-2? Marla replied, he has received a weekly email from Marla. He claims he and his neighbors haven't come to an agreement. The next step is to consider forcing the issue. **Larry replied, we should reach out to the neighbors. We set up a meeting and make this happen.**

Larry requested an EyeOnWater update. Are we getting a separate console in the office? Chris replied, it sounds like you want to know our schedule to check for water leaks? Marla replied, we don't need a separate console, it is browser-based. Larry asked, so we have a process to catch water leaks? Marla replied, she checks it and notifies customers of potential problems. Eileen H stated, she doesn't have an assigned day. **Vince requested Marla get marketing material from EyeOnWater and include it in our water bill.** Marla agreed noting it is also in the SCSA#3 newsletter. **Larry requested Staff advertise EyeOnWater to our customers such as making posters for the mail center and include in mailings. Vince stated, it should be put on separate piece of brightly colored paper and include a message about our recent high-water overages that cost thousands of dollars.**

Larry requested a Staff update regarding well meters. Have we come up with a plan? Marla replied, we first need to identify the wells with meters and those without. Our current list is not comprehensive. We have at least one person with a meter who is listed as not having a meter. Chris will need to find the wells and meters. Larry asked, have scheduled time to do that? Chris replied, we can because our road projects are complete after next week. Marla stated, Nathan has conceptualized a letter to our residents. The Board needs to decide on the penalties we will charge for non-compliance. One idea is that we notify the State of Utah the homeowner's diversion point no longer has authority. Suzanne stated, if we are going to do that project, what are we going to do, if anything, to help residents get meters in place. The last time we offered to connect them with contractors. If we do this inventory, we should think about how to help them comply. Larry stated, we need to have a Water Committee meeting on this subject. Vince agreed stating they should supply the Board with a recommendation.

- g. Invoice review: Marla stated, Nathan's invoices were sent out separately. Larry stated, he accepts the legal billing. Marla stated, there is a small invoice for HAL. Larry stated, regarding TCB Landscaping Invoice #111347 what is the purpose of the \$105 dated September 17, 2019 meeting with Epic Engineering and does it apply to the Church? Chris replied, we discussed the sampling and it should be applied against Advance Paving for the paving issue. Larry asked, on September 24th on the same invoice, meeting with Epic to discuss to Silver Creek Rd issues, who does that apply to? Chris replied, Advance Paving. Larry asked, have we accounted for Chris' charges related to the speed bump damage? Has the TCB Landscaping Invoice #11348 to install a speed bump been applied to the same incident? Chris replied, it was to move the speed bump on Westwood Rd. The speed bump on Redden Rd was put in prior to this. Larry asked, regarding Invoice #11347, dated September 24th about "self-storage water usage review" – should that be on a separate invoice and should we be tracking HJ Silver Creek (HJSC) plan review? Chris replied, no; that's on the water invoice for water management. Larry replied, should that be applied to the HJSC self-storage project? Chris replied, yes; and he pointed to the units. Larry asked, should we be tracking that separately? Marla replied, no.

Marla stated, the next invoice is from Wolff Excavating as per the contract. Part of his fee schedule included his set-up charges. Bob asked, is this charge in compliance with our agreement? Marla replied, yes. She will amortize it over the snow season since it is equipment cost. Larry asked, so part of that will go to next year? Marla replied, yes. Bob asked, is \$16k a reasonable cost for a start-up cost? Larry replied, that was his bid. Marla replied, the Board approved \$16k which she confirmed with the board-signed contract. Bob stated, that is the smallest invoice from HAL he has ever seen. Marla stated, we haven't been doing a whole lot with them because the arsenic project has slowed up.

4. Roads and Trail

- a. Road fees discussion: Marla stated, Staff met to discuss this issue. For commercial, we suggest an increase in the Base Fee plus a \$1sf over 5,000sf. We present this here for the Board to discuss. Vince asked, what does Park City do? **Marla replied, she will contact Park City.** Larry stated, regarding "remodel under \$50k, two of the below must occur simultaneously", why are we going to charge an impact fee for re-roofing or re-siding? Nathan stated, point-of-clarification: these are not technically impact fees. There is a difference between *road usage* and *impact*. Impact fees are wholly differently fee that we would have to approve. They are earmarked for specific projects, not maintenance and operations. Normal impact fees required a separate process. You are actually charging road maintenance fees. Larry asked, what should we call this fee? Nathan replied, Road Fees because these are for your maintenance and operations. Larry stated, so if a guy is reroofing his house and painting his house, we are not proposing to charge him a road maintenance fee for that? Marla replied, unless you want to add it. The reason she included siding and roofing is because you usually bring in larger trucks with lifts to off-load the equipment. Chris added, there is usually construction dumpster. Vince stated, he would like to see an impact chart and a usage chart so he can compare them side-by-side. Larry agreed and stated, he is not comfortable with this because these are typical homeowner maintenance items. If you have to get a permit for landscaping... Vince stated, it's the 3-bedroom, 2,000sf home doing a re-landscaping job vs a multi-dwelling property that is going to landscape 30,000sf. Larry stated, that's a commercial use. Chris stated, no, you are talking residential depending on the home. Vince stated, are the usage fees the same for residential and commercial? It is the same fee for 500sf vs 15,000sf. Larry agreed. He questioned a remodel under 50,000sf. Why are we charging \$500 here? Vince replied, it's a good question. Larry questioned, in a re-roof and a re-siding which improve the community and his taxes go up? Vince stated, he agrees with Larry and almost wants to have staff revisit this because it is dependent upon the size of the project and the true usage. In his experience, he had a neighbor who for months there were big dump trucks coming in 5-10 times each day and it wasn't a very big house but there was an impact. The usage of those heavy trucks, especially when they are full of boulders, they add up. Vince noted, our problem is enforcement. Marla agreed. Vince stated, we have to find the middle ground of the size of the project vs impacts of the project. He agrees with Larry, for projects that are about maintenance such as re-siding or re-roofing or

landscaping, within reason, there really shouldn't be a fee. But if it is going to impact the wear and tear on our roads, and its over multiple weeks, perhaps. Roofing and siding projects take 2-3 days maximum. Marla stated, there is a home up on Westwood Rd that has been re-roofing and re-siding for about one month. Larry noted, they have a poor contractor. Marla stated, the reason she said two...if you come in for maintenance you do siding one year. He is doing a remodel.

Larry stated, he accepts the first three proposals: New Commercial Construction, New Residential Construction and the Remodel Impact over 1,000sf. He recommended removal of \$50k. Vince recommended, remove the remodel under \$50,000. The landfill and grading can be arranged. You don't need a permit for landscaping depending on the size. Marla stated, the the E360 system, you have to have a permit to replace windows and replace furnace. Vince stated, some of these landscaping projects eat up our roads. Bob stated, we have three places bring in 20 dump trucks. What do we do about that? Doesn't that fall under re-grading? Chris replied, at a certain point they should be getting a permit from the County on their cut-and-fill permits; for, possibly 500 cubic yards and then you have to get a permit at that point.

Vince directed staff to massage this and be mindful of the impacts and usage we are seeing currently and knowing that many of these larger uses are coming in. Nathan stated, these are probably more like connection fees than anything else. These are the costs in terms of additional service. If you look at these in terms of connection, it might help in framing the discussion. Vince added, on the same page, let's look at the impact fees as well. Larry stated, change the "impact" to "maintenance". Vince added, to "maintenance usage". Nathan recommended, to "connection" because they are connecting their property to your road system. We can work on the semantics. We need to make sure these aren't "impact fees" because that is a totally different thing that might invite litigation.

- b. 2020 road and trail projects review: Marla stated, the maintenance is standard. She and Chris have ranked the road projects in order of importance. Larry asked, what is our plan to maintain and repair East Creek Ranches? There are a lot of road cuts over there and they are starting to crack. Chris replied, we need to add those in. East Creek, except for a little bit off of Valley Rd, is not truly included in our Silver Creek Analysis and Recommendations for Street Network (LTAP) from 2016. Marla stated, we have a phone call next week to discuss. Chris stated, we can add that in. It wasn't top of mind because it was still under the development agreement. Larry stated, let's get that on the list. It would cost less to add a little chip seal. Chris replied, correct. Bob stated, that is a very good point. Under "long-term", we have an individual's name there, should we change that? We usually don't like to identify particular people. Marla stated, she will change that to Lower Cottonwood Trail.

Suzanne asked, for the long-term capital projects such as the Summit Dr turnaround and the Cottonwood Trail lower turnaround, do we need to do a plat amendment? Marla replied, Lower Cottonwood would require a plat amendment. Summit Dr goes into Lewis Park and any cul-de-sac we develop will be in Lewis Park. The Fire District feels that point is extremely important if ever there is a wildland fire because of the slope and because it is not heavily vegetated, they could use that as a command center which they could not do at the top of Cottonwood Trail. Suzanne asked, will it cost more than \$30k? Marla replied, it may be more. She spoke with the owner of the lot right next to it who is going to start building his home. He told us his contractor is from Heber. Marla reported, she requested that Wolff Excavating take a look. The bigger issue is it will require bigger equipment to get into that without blasting due to the rock. The property owner is waiting for his permits. It is cheaper if you only have to mobilize once. Vince agreed. Marla replied, she will call his contractor. Lower Cottonwood Trail would require a plat amendment. Bob asked, how are we going to proceed with the plat amendment? Marla replied, the property owner is the one requesting it because they want us to vacate the road. We can't vacate the road without a turnaround. Bob stated, he understands. Before it has been to their advantage for us to push right past their house. Marla stated, the plat amendment is on their property. She reported, she told the property owner, we would vacate the road but then you will have to give up a comparable amount of square footage for the cul-de-sac required by the Fire District. Bob asked, beyond their gate? Marla replied, yes. Chris stated, their property doesn't extend past their gate. The cul-de-sac will have to be on their property. Marla agreed. We have notified the property owner in writing that they cannot close the gate to a public road. Vince asked, is there a plan to remove the gate? Bob replied, if we do a plat amendment it will have to be considered. Larry asked, why are we even thinking about a plat amendment? Bob replied, they are thinking about a plat amendment. Larry stated, he would like to see a formal proposal from them and then the Board can review it. Marla replied, we are not that far. Larry stated, then it shouldn't be on the capital budget. Vince agreed. Suzanne stated she agreed and agrees with Larry regarding the chip seal. She would like to align the 2020 Budget with the LTAP recommendations. How do we get it updated so we ensure the capital projects matches? Larry stated, if we are going to bond, we need the LTAP updated. Suzanne agreed. She stated, the chip seal that was put down at the end of Aspen Lane may not

deliver the results we hoped for. She doesn't have enough information to know for sure, but we need to work with Staff when we think about doing the chip seal. If we don't have a good surface before we chip seal, she believes we are still going to get vehicles and snow blades bouncing. It is going to be a challenge on some of these roads that are failing. **When we do the pothole repair, we should make sure it's nice and level before we apply the oil.**

- c. Other road work review (ROW encroachment updates): **Vince directed Staff to identify property by the lot number and not the name of property owner.** Marla reported Lot #139 property owner is under the impression the encroachment fines will stop once he submits a plan to remove the encroachment not the removal itself. When we left the administrative hearing, we met with the property owner and stated once the encroaching landscaping is removed, we will discuss the stoppage of the fines. Bob stated, it's adding up pretty fast. He drove by last Thursday and nothing has been done. Vince stated, it is not our jurisdiction – it's the County's and we have done all we can up to this point. If he wants his fines waived, he needs to go directly to the County. Bob replied, he thought the County put it back on the Service Area. Nathan replied, the County tried to when they questioned their jurisdiction early on. We clarified that it was theirs. Marla stated, they also said, if he doesn't remove it, we would be authorized by them to remove it. At the hearing, the Judge said the fines can be used to remove the landscaping. In an email, the property owner said he understood the fines would stop once a plan was in place. That is not the case. Vince stated, it has to be done, otherwise he is just going to stall. Marla agreed. Vince stated, our response is we don't have jurisdiction over the fees and the landscaping must be removed as quickly as possible especially before winter comes. Marla reported, the property owner told her he could have it done sometime next week if we approve his plan. Vince asked, is that something we have to approve? Marla replied, yes. **Nathan interjected, this can be approved by the General Manager in concert with the Roads Manager without consulting the Board. This should be done as soon as possible.** Nathan is concerned the property owner will state Staff has taken too long to approve his plan. Marla confirmed the plan was submitted today. It shows the trees he wants to relocate and their new location. We informed him, he cannot put any trees over our water line due to tap roots. **Larry stated, Staff has a handle on this and should proceed without Board comment. Vince directed Staff to respond within 48 hours. Larry stated, Staff should acknowledge receipt of their plan.**
- d. MLC project review and report: Mountain Life Church (MLC) came in with another plan regarding water usage. They reassessed everything. Larry asked for the attached letter regarding the MLC's Conditional Use Application (CUP) from the Service Area to the County Planning Department mentioned in the Staff Report. **Marla arranged to get the Board the information.** Carol asked, is there a Montessori School within Silver Creek? Bob stated, it's over on Beehive Dr. Marla stated, MLC asked for and performed a survey. They are not planning to open a school for a couple of years, so they revised their proposed water. Their current facility uses about 75k gallons per year. They propose to use 96k gallons per year for the with the proposed addition not including the school. They donated a share. They are not even close to use their allowable amount. They have a plan for snow removal. We will have the opportunity to apply parking fees and road fees. Presently, we receive about \$1.6k from MLC. Their attendance is about 700 per week right now which they expect will increase. Marla noted, MLC fees haven't changed in 20 years. We can increase the fees plus usage.
- Larry stated, their proposal should be on average Sunday attendance. There needs to be mechanism to allow our fees to grow with their growth. The church is the single biggest generator of traffic into the neighborhood. It's not a bad thing. How do we account for the school? They already have an approved Conditional Use Permit (CUP) for a school so they can start the school anytime they want. Marla replied, they do not have a CUP for a school approved yet. Nathan replied, they don't. Larry stated, once the CUP is approved, will allow them to operate a full-time school. Even though they say the school won't open for a couple of years, what mechanism do we have to capture the school water needs once they do open in order to renegotiate. Nathan replied, that is all handled by the existing contract. They are limited to .76-acre-feet of water under our current agreement. As long as they are under their water use, they are good. If they use more, we will inform them they are in violation of the agreement then the agreement will be renegotiated. Larry replied, he would prefer a mechanism in place, that would kick in if and when they use more water rather than go through this again. Nathan replied, the current agreement specifically requires communication between the Service Area and the Church should their situation change. They did dedicate a full acre foot of water. Larry stated, the Church was not in the original Silver Creek plat. Nathan stated, he is not sure how the Service Area ended-up with .76-acre-feet of water, which is different than .75-acre-feet we normally see, and why they didn't get the full 1.0 acre-feet which is what they dedicated. Including the predicted water use for the proposed school, the Church will be within 1.0-acre-feet of water. In Nathan's opinion, the Church has provided the Service Area with the water needed to cover their entire development. If they go over 1.0-acre-feet, they have good options to provide the Service Area with good quality water. He recommended, the Service Area send the Church a letter recounting our understanding of our current contract, such that the Church must notify the Service Area when they are going to exceed our contractual agreement. If they need more water,

we will have to amend the current agreement to allow for additional water use, but we expect we will do that at that point in time. We will not provide more than what the contract allows until we have new negotiation. They cannot exceed that .76-acre-feet without approval by the Service Area as the agreement is currently drafted.

That contract also includes road fees. Summit County initially approved the Church use but it has now expired. That approval included language that allowed the Service Area to charge a fee based upon parking stalls. That agreement is gone but your individual agreement included similar language that can be renegotiated every three years. It is structured in such a way that it accounts for these impacts that will allow the Service Area to say, "if you are going to do X-Y-Z we can charge more on a per stall basis". Larry stated, he is not comfortable with the number of parking stalls because they run two services on Sunday and two services on Saturday and many other church-related activities as we expect a church to do such as weddings and funerals. There are 100 plus parking stalls at this time, and they have added an accessory parking lot north of the Church that is not part of the agreement. This satellite accessory parking fills up. We accommodate the Red Hawk dumpster in the mail center parking lot. That's good. We want to do these things. Larry doesn't believe, under the current agreement, the parking stall basis doesn't give the Service Area the amount of money needed for the road maintenance versus the traffic that the Church generates. Nathan replied, he thinks it does because it is written in such a way that you can assess what their total impacts are regardless of stalls. **If you think they will have \$50k in road impacts, then divide \$50k by the number of parking stalls and that will be your parking stall rate.**

Larry stated, his last point is regarding snow removal. When they remove snow from the Church property at 2am, it is very disruptive to their neighbors due to the noise. He would like to limit their snow removal activities to a limited timeframe and not in the middle of the night. If they expand south, it's going to affect everyone along Valley Dr. Can we restrict the hours they perform snow removal? Larry emphasized, he is not talking about snow plowing. Nathan replied, we can manage this through regulation which gets back to the fact that the Service Area doesn't have commercial regulation. If we were a city, that would be managed through an ordinance. The Service Area needs commercial provisions in its existing regulations. Larry directed Nathan to place noise control on the list for future commercial resolutions and it will have broad application. Nathan agreed, stating then we are not picking on anyone. When the next large development comes in the resolution will be in place. He is more comfortable controlling a noise issue via a broad public resolution than within a contract. Vince added, especially when it's adjacent to residential zoning. Larry noted, the Church is our biggest commercial occupant. Vince stated, most commercial occupants will understand.

- e. **Trail Work Review:** Chris stated, it snowed, and the trails look good. **Larry requested Chris remove the sand at the mail center. Chris agreed.** Larry noted, the Wasatch Way striping is slightly wavy as you head west. Can we re-do that and are we going to have to pay for it? Chris replied, we won't redo it this year. **As far as bearing the cost, he will review the work, measure it and make a determination.** We paid them for their proposal to lay it out, so it was in the center of the road. Bob stated, he drives down Silver Creek Rd after he comes off of Westwood Rd. The striping appeared to closer to one side going down and the opposite side going up. Therefore, he believes measuring the road striping is the best approach.

Larry requested an update on pothole repair on Silver Creek Rd hill. Chris replied, he originally planned to apply some slurry. After further consideration and examination of the road "alligating", **Chris stated a better approach is to apply cold patch to seal it off to get through the winter season.** Larry asked, can we get a vibrating plate out there to ensure it lasts through the winter? The pothole repair performed in that area was unsatisfactory. **Bob stated, add Westwood Rd to your list of repairs because he drives that road several times a day and the potholes appear to be getting deeper. Vince requested the repairs be compacted.**

5. Water

- a. **Arsenic study update:** Marla reported, she and Chris met with Paul Esterhoff, Arizona State University (ASU) and Ben Minor, HAL. She included their discussion in the board packet of their process. The cost of a rocket column test is \$4k each column. He suggests testing two medias and on the last or 3rd column he recommends doing a test with a lower Ph. He says it takes close to two months to do this because the test is being run almost 100% and it will show us the media lifespan and effectiveness. Ben was supposed to talk to Westec to find out their opinion on these tests. Westec has not performed a rapid column test in recent history. They don't have the expertise or equipment in-house. Professor Westerhoff, Ph.D., PE, does this regularly and on a consulting basis. He is very knowledgeable and included in the board packet is an actual report from another client so we can see the kind of investigation he can perform. He proposes to provide us with the media and a liner to install into the drum. We would then send it down to their labs at ASU for analysis. The media would be returned to ASU in special lined drums to avoid contaminants. Larry asked, what question are we trying to answer with this? Marla replied, we are trying to determine which media is better for our water. He will perform tests on our water at the same

temperature as it would coming out of the ground. We also want to know the lifespan of the media for our water. We have problems with silica here and temperature affects the silica. Vince asked, do we really need our Ph tested if don't plan on altering our Ph? Chris replied, it's probably not necessary. He is giving us the information, so we have an option. It makes the media a little bit more effective at a certain Ph but everyone else employs treatment plants while we do not. **Vince stated, he would rather save the \$4k. We don't want to get into that complexity with our water treatment.** Marla replied, based upon the lab results we provided Dr. Westerhoff, these are the two approaches he recommends. **Vince replied, let's just go with the two.** Marla stated, he has all of our lab results. Suzanne stated, on the top of page two, let's make sure we have the correct loading rate. She doesn't believe the provided sample matches our system. Marla replied, this is a sample report and not a proposal for us. She is hoping to get approval tonight to initiate testing because the cost exceeds Marla's ability to approve. The water committee has reviewed this and feels it is the right direction.

Silver Bullet and 2020 capital projects: Marla stated, for the 2020 Capital Projects are listed in the spreadsheet on the screen. She spoke to Ben Miner, HAL. He suggested a budgetary number of \$10k for his fee. She also estimates \$10k for legal fees. She included a new water tank, but she recommends the Water Committee refine it. Our existing water tank is old, it's our original water tank and it is not rated for seismic activity. It is tall and skinny. If we identify a new location 50 feet further up hill, we can have a shorter and wider tank and achieve better water pressure performance. HAL has identified two locations for a new tank such as a Park City Municipal property up the hill off of Highfield Rd. The second property encompasses two lots just north of the existing water tank. We priced a bolted tank which provides the advantage of a faster installation in a week's time. A welded tank can take three months. Chris and Marla consulted with Superior Tanks in California. Their tanks have been installed in the Artic and Alaska. They recommend a particular tank which is rated for nine feet of snow. It comes in different colors. We want to provide the Board with enough data to make their decision. If we go with a welded tank, the tank would be off-line for three months and we would have to use water from the Highfield tank whose pressure would be too great for the lower section homes.

Larry asked, can the tank go in-ground, or does it have to be an above-ground tank? Marla replied, these are above-ground tanks however, a cement base is required. Chris replied, we are looking for elevation and volume to get the results we need. If we go in the ground, we have to make up for that distance in elevation. Marla stated, underground tanks are more expensive. Chris replied, the periodic maintenance on the bolted tanks is going to be very small as well because we are not inspecting welds. The repair costs will be lower with quicker repair times. Suzanne stated, the bolted tank allows us more flexibility and increased thermal expansion whereas a welded tank takes longer to erect and micro-cracks in those welds, what we are experiencing today, are much more difficult to repair. She approves of Marla's research into alternatives due to the fact that we have huge temperature variation in Summit County and the bolted tanks are widely used in Alaska. Vince stated, a small water tank currently being installed in Quin's Junction is a bolted tank. **Chris will check it out and find out who is doing the work.**

- b. Zipnick – well: Marla stated, this property owner has the approval to drill a well on his property. He would prefer to not to drill a well, perhaps due to the cost, and he proposes to give us his water right off the 1870 Water Right. It would provide 2.64-acre-feet of water. He has been ordered to use his water right or lose it. He doesn't want to lose his investment. He is proposing to sell his water right to us, but he has not stated a price. Nathan replied, he recommends that property owner first discuss a purchase with Zelnick before we get involved. Vince stated, this is a closed session topic. Nathan disagreed. We have other people who need to dedicate water to us. You have spent all of your water rights purchasing budget. He suggests the Service Area refer property owners to Zelnick and, maybe, facilitate others buying that water right to dedicate to us. Or, perhaps, giving the Service Area money to acquire it. Larry stated, he likes that idea better. Suzanne asked, how do we connect people to purchase these water rights? Nathan replied, we have already done this. Marla replied, she conversed with Zelnick a few weeks ago. We had another meeting with individuals who are seeking commercial development and we can connect them to Zelnick. Vince replied, perfect.
- c. Water relief guidelines: Marla stated, Eileen H has written a staff report on a possible evaluation system that could be applied to water relief applications. Vince asked, is this based upon our Water Relief Policy? It needs to be based upon our policy. Eileen H replied, she has observed that the Board makes considerations that aren't actually spelled out in our policy. Such as 'how fast the water was shut-off', 'who caught the leak', 'do they have eye-on-water', 'should they have known they had a leak', and other things that are not specifically listed in the policy. Nathan replied, when we adopted the policy there was a concern, particularly from a previous board member and prior to hiring a general manager, about tying the board's hands on this. The current policy provides a process by which someone will make a request to Chris and then Chris will present it to the board and then the

board has full discretion to do whatever you want. So there really are no evaluation criteria within the policy. At the end of the day, you can do what you want.

Eileen H stated, she has observed, the discussion around water relief approvals vary according to which board member is present at the meeting and the amount water wasted. She thought it would be good to develop criteria based upon the values board members have expressed in previous meetings so that Staff can make a water relief recommendation that is more likely to be approved. She stated, it is an attempt to reduce variation in how we treat requests for relief. She developed a draft criteria checklist for board review and comment. She stated many relief applications are in the packet and she suggested the board go through each application applying the criteria to see if the criteria will help the Board decide how to offer relief. Or, the Board could assign one Board member to review the draft and work with Staff on revisions.

Larry stated, he really likes the idea. Vince stated, he doesn't want to use Board time doing this exercise. Larry agreed. Vince stated, we want Staff to follow a protocol and make a recommendation to the Board. Eileen replied, we don't have a protocol. The policy doesn't reflect the concerns of the Board. Staff brought several applications for water relief to the Board and applied the .75 relief to all of them. Larry replied, we tabled them because we felt we had incomplete information. Nathan stated, does the Board want to make these decisions or would you rather Staff make them? If you are going to have Staff do it, you should approve criteria that they follow.

Larry replied, we could come up with a threshold, if the amount is under 'X', Staff reviews and approves the application; if the amount is over 'X' then it comes to the Board for review. Larry suggested a threshold of \$600. Eileen stated, we have three requests for relief in amounts over \$10k. Vince stated, we didn't have all of the information that we needed at the time. That's a lot of money. Eileen H replied, you have all the information we have in the application and Staff reports included in the packet. Chris noted we do have some updated information. Eileen H replied, that is correct. In one application the tenant misunderstood the cause of the leak; the owner corrected and resubmitted the relief application. Marla affirmed, the leak was in our connection and not in the appliance as originally discussed. It will not be a case of going to the appliance company or contractor because it was not due to the faulty installation of an appliance or a faulty appliance. Larry replied, it could still be an insurance claim. Chris stated, they have a homeowner's policy. Vince stated, his personal homeowner policy did cover a break in the water line. Marla asked, did it pay for damage to the home and pay the water bill? Vince replied, it depends on your policy. If it is a contractor's fault, it is not the Board's responsibility.

Chris stated, the draft Staff report submitted for your review in this board packet, captures those nuances in a point system that adds up to an amount of relief to offer. There are also suggested screening questions that capture those applications who should go to their contractor or homeowner insurance for relief prior to asking the Service Area. After those are screened out, a point system is proposed which determines how much relief to offer because the Board has the discretion to offer up to 75% relief. For example, applying this criterion would offer one application 37% relief which seems fair given the situation. Eileen H stated, the checklist criteria will encourage applicants to sign-up for EyeOnWater because they will be offered more relief if they enroll. Chris stated, we still don't have very many people enrolled. Larry replied, we have not done a good job of promoting it. We need to put flyers up in the mail center. Vince stated, EyeOnWater will supply the artwork and flyers to email and mailing.

Eileen H stated, it sounds like you are saying if you have a broken part, that allows water to flood your home, instead of applying for water relief, the applicant should first apply to their homeowner's insurance policy because their insurance might pay for a water bill. Larry stated, if it were him and he had a \$10k water bill and it was because a water pipe broke underneath his house, he would be on the phone with his insurance agent. We won't cut off water from anyone. Once we get a determination of non-payment from the insurance company, they can apply for water relief. The same thing with their contractor. We want to be accommodating but we have a duty to properly shepherd our resources. Vince asked, what is the Service Area's responsibility when something happens to a homeowner? The whole idea of our water policy was to protect our water users when 'stuff happens': it's unforeseen, it's under the ground or it's in my subfloor. We are willing to make those exceptions on a one-time basis every two years. He wants to avoid the situation where water has been leaking at the side of their house for weeks and they failed to do anything until they received their water bill. Eileen H stated, all of the applications describe the situation of a broken part.

Larry stated, he likes a point system. Nathan stated, after it's refined, you will need to update your water policy. We need to revise it anyway. Vince stated, he likes simplicity. We have been developing policies that have never been in place. Larry and Vince prefer applicants apply to their insurance company anytime there is a situation where water infiltrates a home. Chris stated, at the end of the day, everybody on the water system is paying for someone's leak. We need to be fiscally responsible.

Eileen H suggested the Board consider at least one of the water relief applications tonight. Vince stated, he doesn't want the evaluation to revolve around a broken part. If it's been leaking for a month and they knew about it but failed to fix it, it is not our responsibility. Chris proposed that Chris and Eileen and Marla meet to discuss. It sounds like we are trying to move away from 75% forgiveness, become more uniform and perhaps present the applications electronically. Then you can choose to discuss further at the Board meeting. Vince stated, what the Board is looking for is consistency and a good thought process concluding with a recommendation. Chris asked, is there a maximum dollar value Staff can approve? Nathan replied, we need an amended regulation to do that. Right now, only the Board makes these calls. It's a good idea for Staff to apply criteria to water relief applications then present it to the Board. The Board could still do anything they want.

Vince stated, he doesn't want to spend the time at a Board meeting going through this. He believes we are at the point of having criteria in our Water Policy, 90% of the requests that come in, Staff can give a recommendation. **Chris stated, he believes he understands enough of the Board's expectations for Staff to meet to make a determination which we will bring back to the Board.** Vince stated, that works for him and Larry agreed.

- d. Water relief: tabled.

Vince motioned for the board to move into voting which Larry seconded. Approval was unanimous.

6. Voting:

- a. Invoice approval: Larry motioned to approve the invoices as presented which was seconded by Bob. Approval was unanimous.
- b. Arsenic study approval: Larry motioned to approve the Arsenic Study Rapid Column Test with Arizona State University for an amount not to exceed \$12k which was amended by Bob to state we want the first two medias and not the third and seconded by Bob. Support was unanimous.
- c. Proposed adjustments to 2019 Budget:
- d. Tentative 2020 budget and scheduling of public hearing: Larry motioned to approve November 18, 2019, 6pm to hold the SCSA#3 Public Budget Hearing as Amended and as proposed by Staff and the Proposed 2020 Public Budget Hearing as proposed by Staff which was seconded by Bob. Approval was unanimous.
- e. Road fees for hearing: tabled.
- f. Other matters discussed: no other matters discussed.

Larry motioned to end open public meeting and move into closed session regarding Mountain Life Church. The motion was seconded by Bob and support was unanimous.

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

Larry motioned to end the first closed meeting regarding ML Church and move into open public meeting which was seconded by Bob. Support was unanimous. Nathan led a discussion regarding water rights.

8. Closed meeting for potential litigation Per Utah Code Ann. § 52-4-205: Nathan advised that a closed session wasn't necessary.

9. Adjournment: Larry motioned to end open public meeting and adjourn for the evening at 8:48pm which was seconded by Bob. Support was unanimous.